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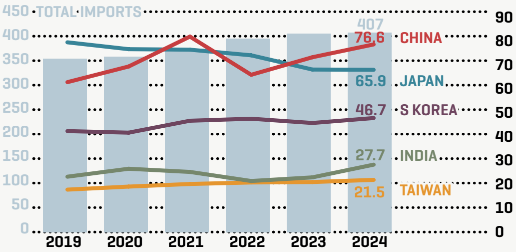
OPEC & GLOBAL MARKETS

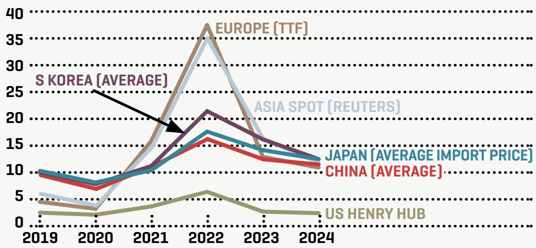
LNG Markets Set To Enter An Age Of Surplus?

Global LNG imports edged up in 2024 as China & India took more as prices eased. The market looks well supplied in 2025, veering into oversupply from 2026 as Qatar and US capacity ramps up. But potential project overruns and rapidly-evolving US policy could still throw a spanner in the works. ***Page 7***

GLOBAL LNG TRADE ROSE IN 2024...



AS PRCIES CONTINUED TO EASE FROM 2022'S RECORD HIGHS



GEOPOLITICAL RISK

Morocco's Western Sahara Powerplay

Rabat hopes Trump's return helps boost recognition for sovereignty over Western Sahara, whilst European firms are being tapped for multi-GW renewables investment. ***Page 12***

GEOPOLITICAL RISK

Iraqi MPs Undermine KRG Oil Deal

Anti-KRG Shia MPs are obstructing joint Baghdad-Erbil efforts to approve higher remuneration to Kurdistan-based IOCs. Another attempt at a vote could come next week. ***Page 10***

UPSTREAM OIL & GAS

Egypt Eyes Deals To Tap Cyprus Gas

Egypt is desperately trying to secure as much regional gas as possible. Cairo hopes to convince Cyprus and the operators of the Aphrodite and Cronos fields to send it their gas. ***Page 3***

CORPORATE

Qatar's LNG 'Floating Pipeline'

With the first ships of QatarEnergy's 128-vessel orderbook joining its 69-ship fleet, the company is progressing its ambitious plan to scale up its 'floating pipeline'. ***Page 6***

UPSTREAM OIL & GAS

Kuwait Upstream Capacity Tops 3mn B/D

Kuwait says its crude output capacity now exceeds 3mn b/d as it closes in on its 3.2mn b/d end-2025 target. Capacity gains could lead to a higher Opec+ quota from 2027. ***Page 2***

POWER & WATER

Oman: More Gas-To-Power With 2.4GW Tender

Oman plans to add 2.4GW of new CCGT capacity by 2029 in recognition that soaring power demand requires reliable baseload supplies and more renewables isn't enough. ***Page 16***

ECONOMY & FINANCE

MBS-Trump Pledge To Boost Spending

Saudi Arabia's pledges to hike investment in the US should bolster Aramco's plans to invest in US LNG projects where Aramco faces competition from other Gulf NOCs. ***Page 17***

GEOPOLITICAL RISK

Libya's Oil Sector: Who's In Charge?

Libya's lifeblood oil and gas sector continues to face roadblocks as ambitious plans to boost output are hindered by financing challenges and political instability. ***Page 14***

KUWAIT UPSTREAM CAPACITY TOPS 3MN B/D

Kuwait says its crude output capacity now exceeds 3mn b/d as it closes in on its 3.2mn b/d end-2025 target. Capacity gains could lead to a higher Opec+ quota from 2027.

Kuwait is steadily moving towards its target of hitting 3.2mn b/d crude oil output capacity by the end of 2025 with KPC CEO Sheikh Nawaf Al Sabah on 22 January saying that overall capacity now exceeds 3mn b/d. Capacity comes from the domestic fields operated by KPC subsidiary KOC and from Kuwait's 50% share of the Partitioned Neutral Zone (PNZ) which is managed jointly with Saudi Arabia.

Kuwait has struggled to boost capacity in recent years and has seen nearby UAE surge ahead as the GCC's second largest producer, with the latter translating capacity gains into a higher Opec+ quota and therefore production (see chart). As for Kuwait, despite recent gains, capacity is still below 2018 levels when KOC capacity alone stood at 3.15mn b/d – the PNZ was shut-in at the time. Despite PNZ output now being back at pre-shut-in levels after restarting in 2020, overall Kuwaiti capacity remains lower. Kuwait's share of PNZ capacity currently amounts to around 200,000 b/d, implying KOC capacity of approximately 2.8mn b/d, up from 2.7mn b/d in 2023 (MEES, 7 July 2023).

Output is currently capped at Kuwait's voluntary Opec+ quota of 2.41mn b/d, which is itself based on the generous 2.96mn b/d baseline it was awarded in July 2021 (MEES, 23 July 2021).

Production cuts are due to begin gradually unwinding over 18 months from April, with Kuwait's quota due to increase to 2.548mn b/d in September 2026 under a new roadmap agreed on in December (MEES, 6 December 2024). New baselines are then due to be set for 2027 based on independent assessments of each country's production capacity, providing an opportunity for Kuwait to make a case for an upgrade.

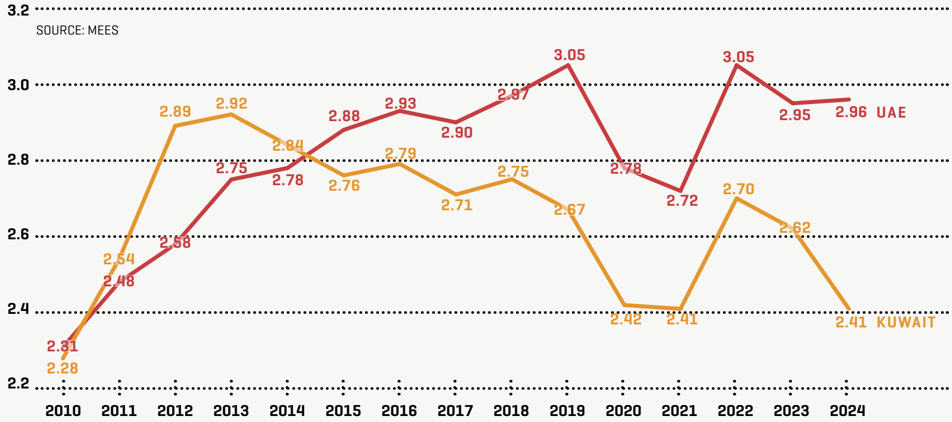
BURGAN BUMP

The bulk of last year's gains appear to have come from increased light oil production capacity from Kuwait's northern Jurassic gas development. In early 2024, KOC completed the project's JPF-4 and JPF-5 plants which provide a combined 340mn cfd of natural gas and 100,000 b/d 40-50°API crude oil (MEES, 23 February 2024). This brought total capacity from the Jurassic project to 263,000 b/d.

There were also gains at conventional fields in North Kuwait thanks to the delivery of water injection and chemical EOR projects which aim to boost capacity back up from 563,000 b/d in 2020 to 700,000 b/d (MEES, 26 July 2024), though capacity will remain below its 2017/18 peak of 760,000 b/d.

Also in northern Kuwait, a boost came from heavy oil reserves, with KOC earlier this month stating that capacity here has hit 90,000 b/d from 75,000 b/d in 2023, and that it targets 100,000 b/d by Q2 (MEES, 3 January).

GCC'S NUMBER TWO PRODUCER: KUWAIT FALLS FURTHER BEHIND THE UAE WITH THE LATTER SNAGGING OPEC+ QUOTA HIKES THANKS TO CAPACITY GAINS (MN B/D, CRUDE OIL)



KUWAIT OIL & GAS INFRASTRUCTURE

For overall Kuwaiti capacity to reach 3.2mn b/d (including the PNZ), KOC will have to bring its capacity back to 3mn b/d. Here, hopes largely rest with reversing declines at the giant Burgan oilfield. Sheikh Nawaf told MEES in mid-2023 that KOC plans to restore the field's capacity to 1.6mn b/d, up from 2020's 1.39mn b/d (MEES, 7 July 2023).

PNZ CLOSE TO 2013-LEVELS

Longer term, KPC targets 4mn b/d capacity by 2035, including 3.65mn b/d from KOC and 350,000 b/d from the PNZ. Sheikh Nawaf is optimistic that Kuwait's recent offshore discoveries will play a major role in achieving this, with KOC targeting 150,000 b/d of oil and 150mn cfd gas from the offshore by 2035. Sheikh Nawaf suggests the figures could be higher still, telling the state Kuna press agency on 27 January that it could be "around 200,000 b/d."

Kuwait has discovered 4.15bn barrels of oil equivalent through two discoveries from the first two wells drilled in its ongoing six-well drilling campaign (MEES, 24 January).

Currently Kuwait's only offshore production is from the PNZ's Khafji field where output averaged around 270,000 b/d last year, netting Kuwait 135,000 b/d. Gross output from the onshore Wafra field was 120,000 b/d, netting Kuwait another 60,000 b/d.

Gross PNZ output of 390,000 b/d is the highest since 2013's 414,000 b/d, which was the last full year of production before fields were shut in amid disagreements over management between Saudi Arabia and Kuwait (MEES, 24 October 2014).

For Kuwait to generate 350,000 b/d capacity from the PNZ by 2035, gross capacity will have to rise to a record 700,000 b/d. Appraisal work to potentially unlock new reserves at both Khafji and Wafra has been carried out to enable this. As well as oil, the PNZ partners are also targeting gas through the offshore Dorra field where they aim to produce 1bn cfd by the end of the decade – 500mn cfd each (MEES, 13 October 2023). FEED studies have now been completed says Sheikh Nawaf, but development is complicated by competing Iranian claims. ◆◆

Egypt Eyes Deals To Tap Output From Cyprus' Cronos & Aphrodite Fields

Egypt is desperately trying to secure as much regional gas as possible. While nothing has been signed yet Cairo hopes to convince Cyprus and the operators of the Aphrodite and Cronos fields to send it their gas.

Egypt is set to sign two deals on 17 February in Cairo that it hopes will help it secure gas from the two offshore Cyprus gas discoveries that are closest to development: Chevron-operated 3.5tcf Aphrodite, and Eni-operated 2.5tcf Cronos.

Egypt's Petroleum Ministry expects to sign a Host Government Agreement (HGA) with Eni and 50:50 partner TotalEnergies which envisages the export of all Cronos output as LNG from the Eni-operated Segas facility at Damietta on the country's Mediterranean coast.

"This would be a very, very important moment. We will jointly be signing a very important agreement which will help [set] the scene for a strategic collaboration between Cyprus and Egypt to unlock the subsurface potential, existing in Cyprus, leveraging the infrastructure of Egypt to be able to export gas," Egypt oil minister Karim Badawi told a press conference in Nicosia on 24 January.

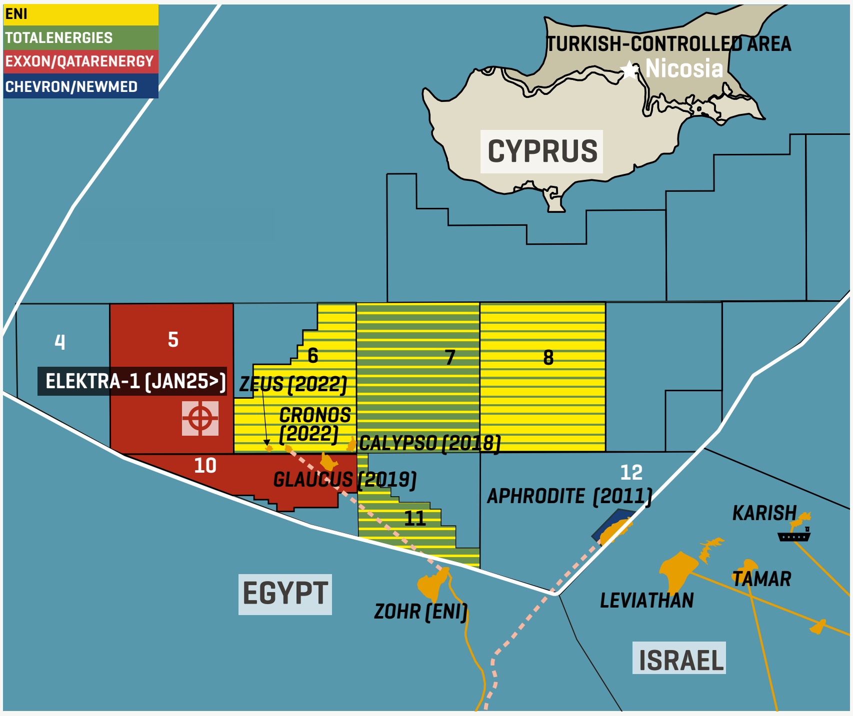
The minister says the HGA will encompass "all the different elements [including] the commercial aspects to enable our partners to proceed with their various final investment decisions to unlock the potential of Cronos field in the very near future."

The finer details of the HGA are still to be ironed out, whilst Eni/Total are also yet to agree a development plan with Nicosia, which hopes to achieve first gas in 2027. Nicosia expects the plan to be filed by end-March. This is set to propose a 60km tie-back to Eni's Zohr field on the Egypt side of the maritime border (see map) where declining output has left plentiful ullage (MEES, 18 October 2024).

Discussions between Mr Badawi and his Cypriot counterpart, Energy Minister George Papanastasiou also touched on the potential of building a new pipeline linking the Zohr onshore facilities to the Damietta LNG plant, MEES learns.

CYPRUS KEY BLOCKS & GAS DISCOVERIES

GAS FIELD/PIPELINE POTENTIAL PIPELINE



CRONOS FOR LNG...

And while President Sisi himself committed earlier this month during a trilateral meeting in Cairo with the premiers of Cyprus and Greece that Cronos gas would all be exported, the devil may be in the detail. The HGA will be a binding agreement according to both ministers, but it contains provisions whereby a proportion of the Cronos gas could be redirected to the domestic market under certain conditions, MEES understands.

With its own gas output in freefall, slumping to an 8-year low 4.35bn cfd for November, and a bare project pipeline for new additions other than development work to boost legacy projects (MEES, 24 January), it is more than likely that Egypt will be in dire need of more gas in two years' time. This will likely remain the case despite growing renewables capacity potentially reducing demand for natural gas for power generation (MEES, 3 January) and the potential for increased gas imports from Israel – though likely not before 2026 (see p4 & MEES, 17 January).

...APHRODITE FOR EGYPT?

Having committed to export all Cronos gas, Egypt has also moved to secure further Cypriot gas for its domestic market.

On this, "An MoU will be signed between three parties, which will be Cyprus, Egypt and the Aphrodite partners [Chevron 35%op, Shell 35%, Israel's NewMed Energy 30%]. This MoU is another serious agreement that signals the direction that Aphrodite's development will take," Mr Papanastasiou says.

The deal, MEES understands secures all Aphrodite gas for the domestic Egyptian market. While the field was discovered some 13 years ago, it has now seemingly been overtaken by Cronos (which was only discovered in 2022), as the prime candidate to become Cyprus' first gas producer.

Chevron submitted a draft development plan in August that envisages tie-back to Port Said in Egypt after Nicosia had issued the partners with a notice of breach of contract (MEES, 6 September 2024). In mid September both sides decided to freeze the notice of breach period for fourth months in order to try and find an amicable agreement on how best to proceed, a period that was extended earlier this month until mid-February (MEES, 20 September 2024).

Talks are in the final stretch, MEES learns, with Nicosia likely to approve the development plan before the deadline, once it has received a finalized version. If Cyprus approves the plan, it will withdraw the notice of breach and amend the contractual milestones, although even if terms can be agreed, FID is unlikely before 2027.

While the signings will provide Nicosia with the opportunity to show it has a growing influence in the region, the focus for now is firmly on US major ExxonMobil's ongoing drilling at the highly-anticipated Elektra prospect on Block 5, with pre-drill resource estimates as high as 30tcf (MEES, 24 January). A significant discovery here could truly be a game changer for Cyprus. ◆◆

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UPSTREAM OIL & GAS
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Israel Gas Output Hits Record 2.6bn cfd For 2024; Energean Eyes 2H25 Karish Boost

*Israel gas output increased for the fifth consecutive year to post a new annual record of 2.614bn cfd for 2024, up 10% year-on-year, according to data obtained by MEES. Output from US major Chevron's two key fields, the 23tcf Leviathan and 14tcf Tamar, was up 3% at 1.094bn cfd and 10% at 973mn cfd respectively.

*Both fields supply the domestic market and also export gas to Jordan and Egypt. Egypt's imports of Israeli gas surged by 18% year-on-year to a record 981mn cfd for 2024, with record monthly volumes of 1.065bn cfd in April and December (MEES, 17 January). This came as Egypt looked to hoover up as much gas as possible amid a domestic gas output crunch: 2024 also saw seven-year high LNG imports of 2.78mn tons (MEES, 10 January).

*But 2025 is set to see only a modest, if any, increase in Israel-Egypt volumes with the key infrastructure projects needed to enable a substantial boost – a pipeline link offshore Israel, and expansions of Leviathan from 1.2bn cfd to 1.4bn cfd and Tamar from 1.1bn cfd to 1.6bn cfd – are not due to be completed until the end of this year (MEES, 29 November 2024).

*While the key gains between 2020-22 came following the late 2019 start-up of Leviathan, gains since have followed the end-2022 start of London-listed Energean's 2.6tcf Karish fields. Karish output rose 29% year-on-year to 547mn cfd for 2024 (see chart 1).

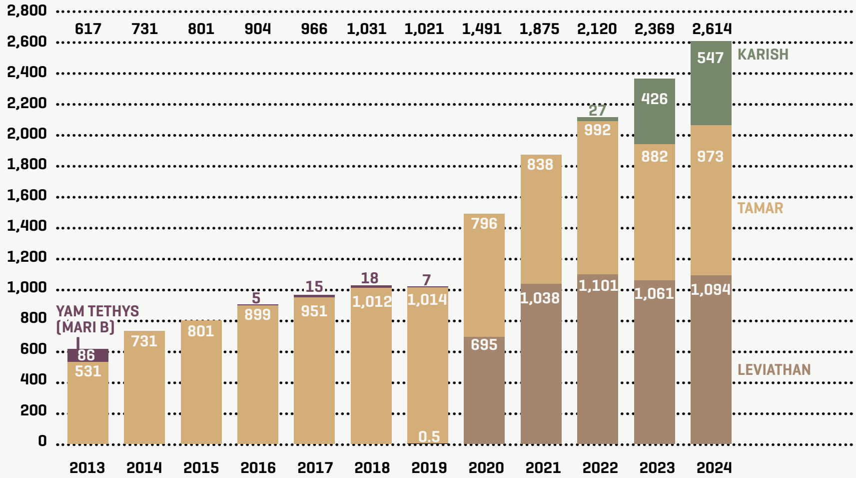
*In a 23 January operational update Energean gives a figure of 112,000 barrels of oil equivalent per day for Karish 2024 output although it does not split out the project's significant liquids output which MEES learns averaged approximately 15,000 b/d for 2024.

*Energean continues to add gas sales to its Karish project as it looks to fill up the 8bcm/y Energean Power FPSO's capacity. On 23 January Energean announced a deal to supply Israel's Dalia Energy with "up to 12bcm" over 18 years from April 2026, which the firm values at approximately $2bn.

*This implies an average price of around $4.7/mn BTU, though Energean says the terms "contain provisions regarding floor pricing, take or pay and price indexation linked to CPI (not Brent-price linked)." They are also "in line with the other large, long-term contracts within Energean's portfolio," which combined are valued at "close to $20bn" according to CEO Mathios Rigas.

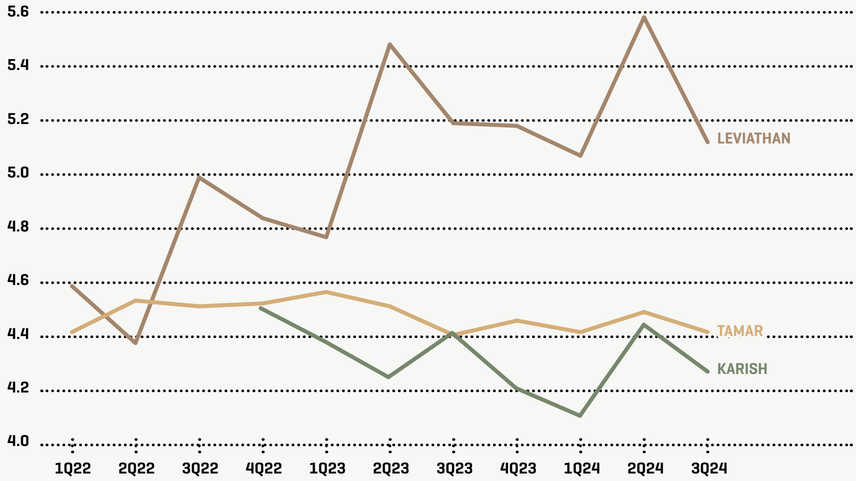
*With Karish gas all reserved for the domestic market, unlike Leviathan and Tamar which are permitted to export, Energean has undercut Chevron and its partners at the two larger fields in a bid to secure market share (see chart 2).

1: ISRAEL POSTS RECORD 2.61BN CFD 2024 GAS OUTPUT ON KARISH RECORD & TAMAR REBOUND (MN CFD)



SOURCE: ISRAEL MINISTRY OF ENERGY, CHEVRON, NEWMED, RATIO, MEES.

2: AVERAGE ISRAELI GAS PRICES FOR SALES TO DOMESTIC END-USERS: KARISH HAS BEEN CONSISTENTLY CHEAPEST SINCE ITS END-2022 START-UP ($/MN BTU)



SOURCE: MEES CALCULATIONS BASED ON COMPANY FILINGS.

*The purchased gas will primarily supply two new 850MW power plants that Dalia will build in Tzafit in southern Israel. The Dalia deal will see Karish supply "up to 0.1bcm/y from April, rising to up to 0.5bcm/y from around January 2030 and then at least 1bcm/y from June 2035 onwards," Energean says although this "excludes supply in the summer months (June-September) between 2026-2034."

*Energean says it expects to hike Karish sales by 10% for 2025, implying average output of around 600mn cfd. Output guidance "is weighted towards H2 and is based on actual Israel sales in 2024 plus a step-up in contracted gas volumes in 2025," the firm says.

*For 2025 Energean is guiding total output 120-130,000 boe/d, which at its midpoint implies 16,000 b/d of Karish Blend crude.

*Energean says its FPSO will see two planned shutdowns during 2025. The first, during H1, is to complete installation of a second oil train to double liquids handling capacity to 32,000 b/d (MEES, 1 November 2024). The second will be for topside works during H2 as the firm progresses development of the 1.2tcf Katlan fields, which it hopes to tie-back to the FPSO in 1H 2027 (MEES, 26 July 2024).

*Energean also says the FPSO will undergo routine maintenance, but it will also be hoping to draw a line under numerous unplanned outages linked to Karish's oil output that have plagued the project since start-up (MEES, 1 March 2024).

Abu Dhabi's Lunate To Buy Snam Stake In Domestic Gas Pipeline Network

Abu Dhabi's Lunate has doubled down on investments in the domestic midstream with the planned purchase of a stake in Adnoc Gas Pipelines from Italy's Snam.

Abu Dhabi investment firm Lunate is expanding its presence in the emirate's midstream hydrocarbons sector, with a planned investment in Adnoc Gas Pipelines. Lunate announced on 28 January that it is purchasing an effective stake of 5.87% in the midstream entity from Italian pipeline operator Snam, following a deal last year which saw it invest in Adnoc Oil Pipelines (MEES, 12 April 2024).

Adnoc Gas Pipelines was established in 2020 and has lease rights from Adnoc for 38 pipelines covering 982km, connecting Adnoc's upstream assets with domestic offtakers. The deal raised $10.1bn for Adnoc, with Adnoc Gas Pipelines leasing the rights to the pipeline for a period of 20 years "in return for a volume-based tariff subject to a floor and a cap" (MEES, 26 June 2020). The transaction valued Adnoc Gas Pipelines at $20.7bn.

Lunate is buying Snam's 12.3% stake in Galaxy Pipeline Assets (GalaxyCo) which in turn holds 47.7% in Adnoc Gas Pipelines for an effective stake of 5.87%. Other GalaxyCo investors include the likes of Global Infrastructure Partners and Brookfield with the company receiving a steady quarterly income of over $200mn from its Adnoc Gas Pipeline stake (see charts).

Lunate Managing Partner Murtaza Hussain said of the transaction that "Adnoc Gas Pipelines is a key asset within the UAE's energy infrastructure system. We are pleased to strengthen our partnership with Adnoc through this investment and deliver on Lunate's mandate to offer investors access to high quality assets." Meanwhile, Snam CEO Stefano Venier says the sale is consistent with the Italian firm pulling back from investments further afield to increase its focus on developing "a pan-European multi-molecule 2025-2029 infrastructure." Snam is among the key proponents of 'SoutH2 Corridor' plans to potentially pipe green hydrogen via Italy to central Europe by the early 2030s (MEES, 28 June 2024). Algeria and Tunisia, together with Italy, Germany and Austria on 21 January signed a joint declaration of intent "to continue work on the development" of the plans.

The Snam-Lunate deal remains subject to the signing of the sale and purchase agreement, as well as to the potential exercise of the relevant shareholders' rights. The value of the deal was not disclosed, but at 2020's valuation, Snam's stake would be worth around $1.2bn.

STABLE, SECURE REVENUES

Adnoc Gas Pipelines is paid a quarterly tariff of $0.57/mn BTU for throughputs through the gas pipeline network. Revenues are stable and protected thanks to a minimum volume commitment (MVC) which it says "is fixed at 75% of volume projected in the Baseline Supply Forecast." This forecast varies annually, but is generally trending down in a 2021 Offering Memorandum, although demand expectations have recently been revised up as the UAE seeks to attract energy-intensive data centers (MEES, 13 December 2024).

The majority of the pipeline network is onshore, but it also includes offshore pipelines for the 5.8mn t/y Das Island LNG export terminal, as well as 11 onshore NGL pipelines. Volumes are typically well above the MVC, with GalaxyCo's latest full year figures showing that the 8.9 trillion BTU/day figure was 39% above the 6.389 trillion BTU/day MVC in 2023, and 4% above the baseline forecast.

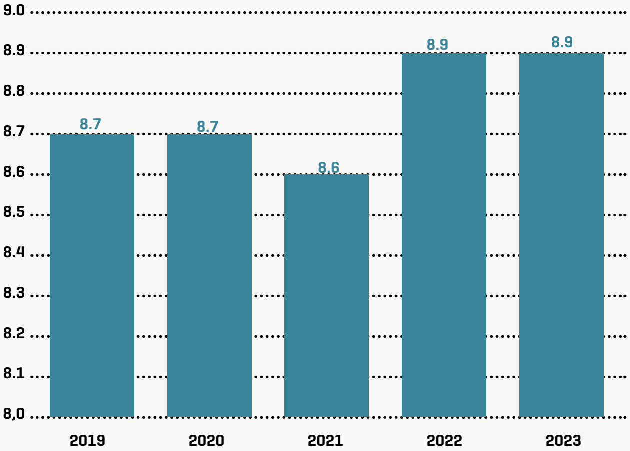
The power sector is the largest source of domestic demand, but energy intensive industries such as aluminum, steel and cement are also flagged up as key long-term demand sectors.

LUNATE: SUPERCHARGED GROWTH

When Lunate was launched in September 2023, it had assets under management of more than $50bn. Now, Lunate says this has more than doubled to $105bn. It is owned by Chimera Investment LLC and Lunate's senior management. It is part of the burgeoning business empire of Sheikh Tahnoon bin Zayed, the influential brother of UAE President Mohamed bin Zayed, who also serves as the UAE's National Security Advisor.

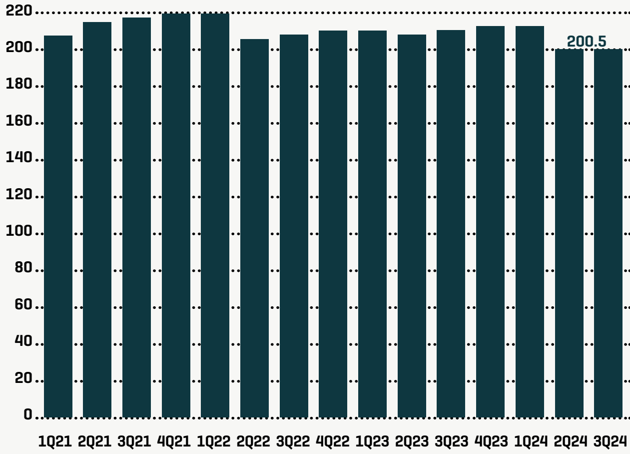
Sheikh Tahnoon is also Chairman of ADQ which is an investor in Adnoc Gas Pipelines through the government's 51% stake. ◆◆

1: AVERAGE ADNOC GAS PIPELINE NETWORK VOLUMES* HAVE BEEN EDGING HIGHER (TRILLION BTU/DAY)...



*INCLUDES NGLS, OFFSHORE GAS FOR LNG. SOURCE GALAXY PIPELINES, MEES.

2:... WITH GALAXYCO'S QUARTERLY* CASH RECEIPTS FROM ADNOC GASIPELINE TOPPING $200MN ($MN)



*2021 RECEIPTS BOOSTED BY THE CARRY OVER OF 'EXCESS VOLUMES' FROM 2020. SOURCE GALAXY PIPELINES, MEES.

◆◆

Qatar's 200-Tanker 'Floating Pipeline' To Herald New Era Of LNG Shipping

With the first ships of QatarEnergy's 128-vessel orderbook joining its 69-ship fleet, the company is progressing its ambitious plan to scale up its 'floating pipeline'. With LNG tanker additions set to outpace global liquefaction capacity gains the market appears well supplied.

Since 2020 QatarEnergy has been pursuing a massive shipbuilding program which has grown to a total of 128 new LNG tankers to be delivered by around 2030. Currently, state-led listed firm Nakilat owns a fleet of 69 vessels which are chartered to QatarEnergy. Nakilat has already been assigned 34 of the newbuild vessels, but this time around QatarEnergy is sharing the allocations among a range of firms.

The first seven of the new vessels have now entered service, under an agreement QatarEnergy reached for a JV of Japan's Mitsui OSK (MOL) and China's Cosco to own and operate the vessels. The first of these seven was named 'Rex Tillerson' after the former Exxon CEO who played a key role in the development of Qatar's LNG sector, and loaded its first cargo at Ras Laffan in October. Four more have since loaded their first cargo, leaving two more to join the fleet in the coming weeks.

As part of the new fleet, QatarEnergy has also commissioned the construction of 24 QC-Max vessels, a new generation of supersized LNG carriers with a 271,000m^3 capacity (MEES, 3 May 2024) – twice the size of standard LNG tankers. Nine QC-Max vessels will be owned by Nakilat.

Once complete by around 2030, the shipbuilding program implies QatarEnergy will have chartered a total of 197 ships, unless some of the older ships are sold or retired in the meantime. The huge orderbook of new tankers comes as Qatar intends to nearly double domestic LNG capacity to 142mn t/y by the end of the decade (MEES, 1 March 2024).

OVERSUPPLIED MARKET?

Alongside LNG capacity additions in the US, Qatar's expansion plans are widely expected to contribute to a surplus of LNG by 2030, helping drive down prices (see p7). A wave of new shipping capacity is also playing a similar role in lowering future costs of LNG, preventing shipping costs from spiking.

According to the Gas Exporting Countries Forum (GECF), the global LNG carrier fleet has risen from just 60 vessels in 2000 to 780 carriers by the end of last year. The growth in LNG shipping "has outpaced all other segments of the global gas supply chain in terms of growth," according to its January monthly report, and last year "the rate of new vessel additions significantly outpaced the growth of global LNG export capacity."

The GCEF expects that a further 500 tankers will enter service in the second half of the decade, and that the average size of these tankers will also rise. As a result, it estimates that global LNG shipping capacity will surge from 55mn tons to 90mn tons by 2029. This implies 1mn tons of LNG shipping capacity for every 7mn t/y of liquefaction capacity compared to 9mn t/y today.

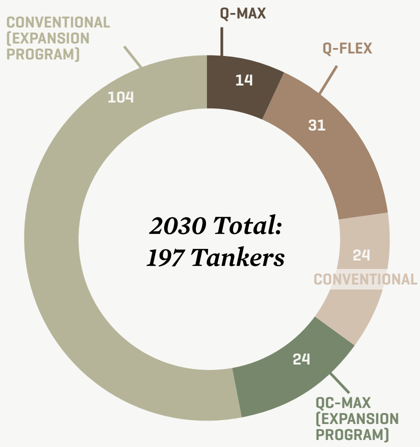
Two factors could complicate this. First, the introduction of stricter shipping regulations might force the retirement of a large portion of the older inefficient fleet. Second, longer voyage times caused by disruptions at key transit points like the Panama Canal and Suez Canal could keep available capacity tighter. However, even with the Houthis having effectively closed the Red Sea to LNG tankers over the past year, LNG tanker rates have normalized.

'PIPELINE' TO WHERE?

While it's clear Qatar is rapidly expanding the capacity of what it calls its 'floating pipeline', where it will ultimately deliver to is less clear. Of the 64mn t/y of future capacity from the North Field expansions only 25mn t/y has been signed under long-term contracts for delivery to China and Taiwan in Asia, and Germany, France, Italy, and the Netherlands in Europe. Qatar still faces over 50mn t/y of uncontracted LNG output by 2030 due to a combination of new capacity and expiring contracts (MEES, 17 January).

Currently, the largest share of Qatar's LNG exports head east. Of the nearly 80mn tons it exported last year 37mn tons (47%) went to key buyers in eastern Asia and 22mn tons (28%)

QATARENERGY'S EXISTING LNG FLEET AND ORDERBOOK IMPLIES NEARLY 200 SHIPS BY 2030*



*DOES NOT INCLUDE FUTURE SALES OR RETIREMENTS. CONVENTIONAL 100,000-180,000m^3; Q-FLEX 200,000-210,000m^3; Q-MAX 250,000-266,000m^3; QC-MAX 271,000m^3. SOURCE: NAKILAT, MEES.

went to south-central Asia according to data intelligence firm Kpler.

As part of its shipbuilding program, QatarEnergy has signed a series of time-charter party agreements with Asian shipowners for more than 40 of the new vessels. This includes state-owned Chinese shipowners Cosco, China Merchants, and Shandong Marine Energy, Japan's Mitsui O.S.K Lines and K Line, as well as Korea's Hyundai Glovis.

While the Japanese and Korean shipowners are private companies that operate their existing LNG ships across the world, the state-owned Chinese firms focus almost exclusively on importing LNG into China, Qatar's largest single market (MEES, 6 December 2024).

Overall, Nakilat will take on 34 ships, while intriguingly QatarEnergy Trading will operate 43 vessels. QatarEnergy Trading was established in 2020 to "build a globally diversified portfolio of third party and equity LNG...[and] respond with greater agility to the evolving needs of its customers, and to maximize the value of its portfolio in a dynamic market" (MEES, 13 November 2020). QatarEnergy's trading arm will also be responsible for marketing its 70% stake in the US Golden Pass export terminal which is due online by year-end.

INDIA & CHINA DEMAND SEES RECORD LNG TRADE FOR 2024 WITH MORE GAINS TO COME

*Global LNG imports edged up to a new record of 407mn tons for 2024 as top buyer China posted 8% gains whilst numbers three to five buyers South Korea, India and Taiwan all took record volumes (see chart 1).

*This came as international gas and LNG prices continued to ease from 2022's record highs, though they remain elevated by historical standards (see chart 2). With India, and newer Asian importers, such as Pakistan, Thailand and Bangladesh, seen to be particularly price sensitive, the extent to which their buying surges going forward will depend on whether the price is right.

*Most analysts see the global LNG market as relatively well supplied in 2025 – implying lower prices – as new liquefaction projects ramp up. The market is then expected to tilt into oversupply, with much lower prices, from 2026 as the steady stream of new capacity becomes a flood with the start-up of Qatar's massive capacity expansion (MEES, 17 January).

*For 2025 supply gains, North America is the key focus. And here the two key 2025 increments are set to come from Venture Global's 20mn t/y Plaquemines LNG, and Shell's 14mn t/y LNG Canada. Whilst a month ago, Plaquemines had just shipped its first cargo (MEES, 3 January), the plant has rapidly ramped up to ship six cargoes (455,000 tons – over 1% of global supply) for January, according to data intelligence firm Kpler.

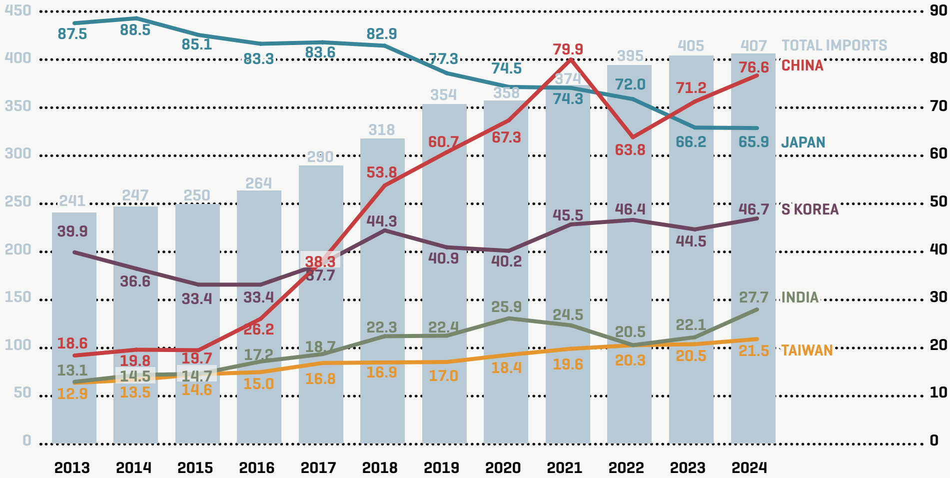
*On the back of this, provisional Kpler data indicate that January saw the US set a new monthly LNG export record of 8.57mn tons, versus the previous record of 8.5mn tons set in December 2023. And with the Plaquemines plant's January volumes less than a third of nominal capacity there is scope for much more in the way of gains over the coming months.

*Notwithstanding the 2.5mn t/y Tortue project on the Mauritania/Senegal border, which FLNG operator Golar says remains on pace to ship its first cargo this quarter (MEES, 3 January), the next big global capacity addition is Shell's LNG Canada, which will be able to directly tap Asian markets from its British Colombia facility.

LNG CANADA: FIRST CARGO 'MID-YEAR'

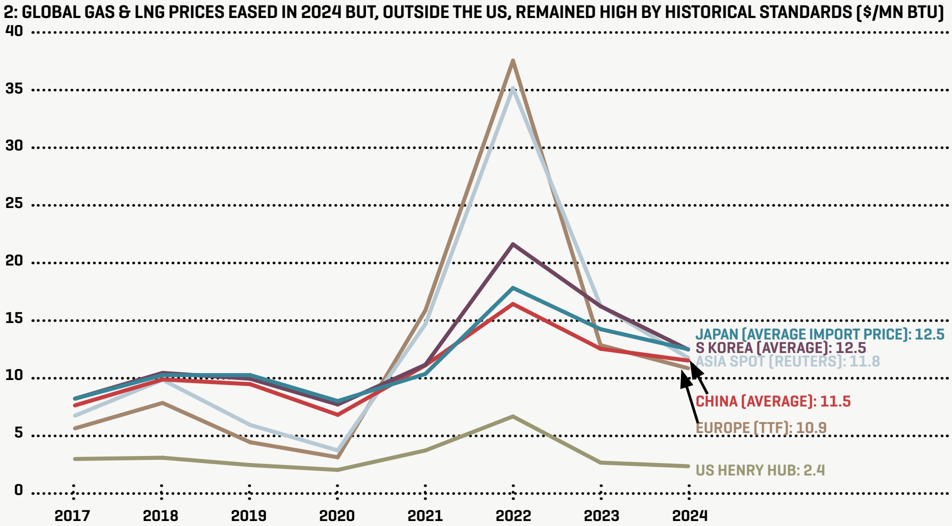
*Speaking on her firm's Q4 earnings call on 30 January, Shell CFO Sinead Gorman is bullish on LNG Canada, reporting "great progress, hoping to move towards the first cargo [in the] middle of the year." Shell is also increasingly bullish that this will be followed in short order by FID on Phase-2 expansion, though Ms Gorman adds that "at the moment it's about getting LNG Canada Phase-1 up and running and getting the cargoes out."

1: LNG - TOP FIVE* GLOBAL IMPORTERS (MN TONS): CHINA STRENGTHENED ITS LEAD OVER JAPAN FOR 2024, WHILST INDIA AT NUMBER FOUR POSTED THE BIGGEST GAINS



*WHILST 2024's TOP FIVE WERE ALL IN ASIA, NUMBERS 6-8 WERE IN EUROPE (FRANCE 19.0MN T, SPAIN 14.3, NETHERLANDS 13.7), WITH THAILAND (12.1MN TONS) AT NUMBER 9. SOURCE: NATIONAL IMPORT STATISTICS, KPLER, MEES.

2: GLOBAL GAS & LNG PRICES EASED IN 2024 BUT, OUTSIDE THE US, REMAINED HIGH BY HISTORICAL STANDARDS ($/MN BTU)



SOURCE: OFFICIAL IMPORT STATISTICS, IMF, REUTERS, MEES.

*Then in late 2025 the key start up is slated to be QatarEnergy and ExxonMobil's 18mn t/y Golden Pass facility, which like Plaquemines is in Louisiana on the US Gulf coast.

*Of course, whilst all this looks bullish for supply, and bearish for prices, it has to be said that LNG megaprojects (including, already, Golden Pass and Tortue) have often suffered lengthy delays.

*Also on the bearish side, analysts FGE, in a 31 January note, predict that Russian LNG exports will fall by 25% to 26.5mn tons for 2025 as a result of tightening US shipping sanctions which enter effect on 27 February. That said, with President Trump now back in the White House, predicting US-Russia relations over the course of 2025 is not for the faint hearted.

*On the demand side of the ledger, Asian LNG buyers are set to see increased competition from Europe for 2025 following the halt of direct Russia-Europe piped gas shipments (via Ukraine) since the start of January. Coupled with a cold winter in much of Europe, this has left European gas stocks well down on year-ago levels. Consultants Energy Aspects project European LNG imports of 101mn tons for 2025, up 14mn tons on 2024.

*But whilst there is plentiful room for debate over 2025's LNG supply/demand balance, less under debate are expectations of plentiful global LNG from 2026. "There will be project delays and price volatility, but with a 50% increase in capacity the path ahead is inevitable—spot LNG prices will fall and remain under pressure

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through the late 2020s," Fereidun Fesharaki and Jeff Brown of FGE say.

CHINA: RECORD DEMAND BUT OUTPUT & RUSSIA GAINS CAP LNG

*China's LNG imports surged by 7.7% to 76.6mn tons for 2024, cementing the middle kingdom's lead over Japan as top global importer, a position China is highly unlikely to relinquish over the coming years. However, 2024's imports remained below the record figure of 79.9mn tons set in 2021.

*This is largely a function of the surge in both domestic output and in overland gas imports from Russia over the intervening period – the latter tripled from 10.0bcm to 31.0bcm between 2021 and 2024 whilst output was up by almost 50bcm (see table and chart 3). Russian overland deliveries via the Power of Siberia pipeline hit the route's full 38bcm/y capacity in Q4, and are predicted to remain at this level through 2025 and beyond.

*With output gains also projected to be relatively muted for 2025 – the research department of Chinese state major CNPC predicts near-flat output, though the IEA reckons on 15bcm/y growth to 261bcm – this should leave room for a substantial hike in LNG imports. Both forecasts imply new LNG import records for 2025: the IEA 111bcm (80.5mn tons), and CNPC's figures more substantial gains to around 86mn tons.

*The IEA predicts just over 6% China gas demand growth to 455bcm for 2025, whilst CNPC projects a somewhat lower 449bcm. A key driver, not just for increased Chinese gas demand but for lower-than-expected demand for liquid fuels (MEES, 20 December 2024), is the growing popularity of LNG-fueled trucks. However, the IEA, in its 1Q 2025 gas market report, notes that this is a heavily price-sensitive market. "The sale of LNG-powered trucks [in China] accelerated in 2023 and 2024, just as LNG prices eased to competitive levels with diesel. However, as LNG prices again rose above the switching point with diesel during 2H 2024, new LNG truck registrations tumbled immediately, suggesting that vehicle purchase decisions remain highly sensitive to short-term operating cost considerations. Furthermore, LNG truck sales remain constrained by the availability of refuelling infrastructure, whose buildout depends heavily on local and provincial implementation of national guidelines," it says.

*As for China's 2024 LNG imports, Australia

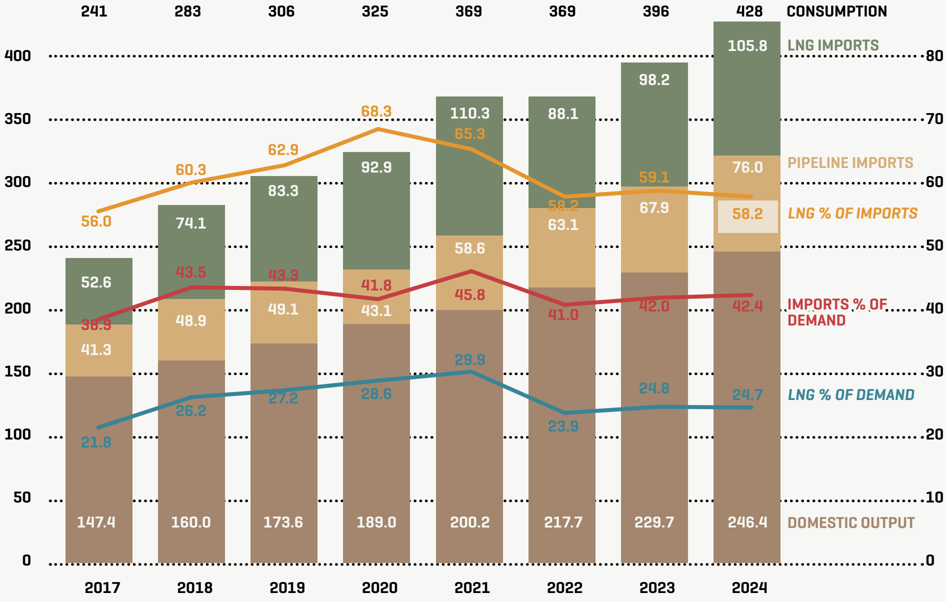
Continued on – p9

CHINA KEY GAS FIGURES (BCM): RECORD 2024 OUTPUT & RUSSIA PIPELINE SUPPLIES CAP LNG GROWTH

	2017	2018	2019	2020	2021	2022	2023	2024	*vs 23*	*%chg*	2025 Forecasts* IEA	CNPC
Production	147	160	174	189	200	218	230	246	+16.7	+7.3	261	247
Consumption	241.3	283	306	325	369	369	396	428	+32.3	+8.2	455	449
Imports	94	123	132	136	169	151	166	182	+15.6	+9.4	194	202
o/w Pipeline	41.3	48.9	49.1	43.1	58.6	63.1	67.9	76.0	+8.0	+11.9	83.0	83.0
o/w Russia	*0.0*	*0.0*	*0.0*	*4.1*	*10.4*	*15.5*	*22.7*	*31.0*	*+8.3*	*+36.6*	*38.0*	*38.0*
LNG imports	52.6	74.1	83.3	92.9	110.3	88.1	98.2	105.8	+7.5	+7.7	111.0	118.9
LNG (mn tons)	*38.1*	*53.7*	*60.4*	*67.3*	*79.9*	*63.8*	*71.2*	*76.6*	*+5.5*	*+7.7*	*80.5*	*86.1*
Imports (mn tons)	*68.7*	*90.0*	*96.9*	*101.5*	*122.4*	*109.5*	*120.4*	*131.7*	*+11.3*	*+9.4*	*140.6*	*146.3*

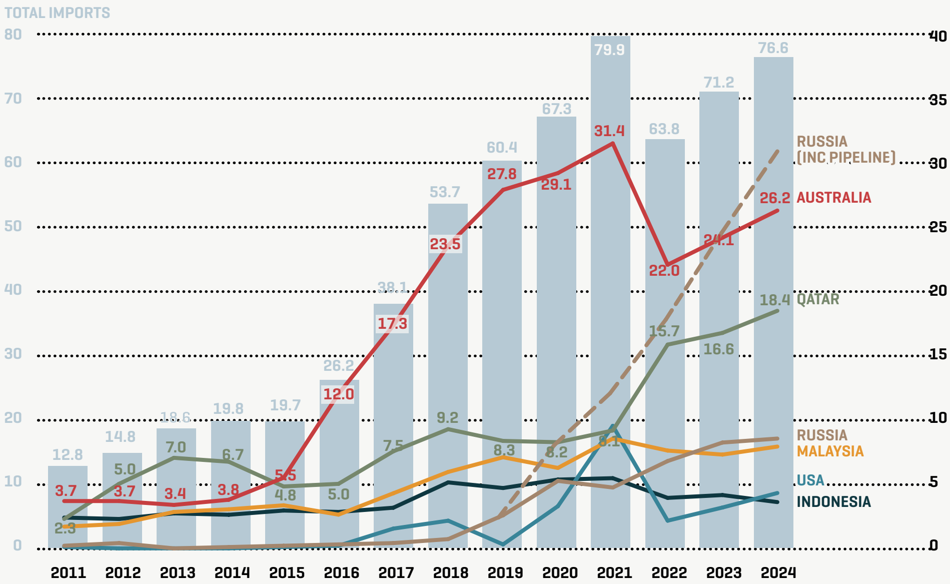
*SOME NUMBERS ARE INFERRED. SOURCE: OFFICIAL STATISTICS, IEA, MEES ESTIMATES & CALCULATIONS.

3: CHINA'S 2024 GAS RECORDS AS CONSUMPTION, OUTPUT, LNG AND PIPELINE IMPORTS ALL SURGE TO RECORD HIGHS (BCM)



SOURCE: CHINA CUSTOMS, IEA, MEES.

4: CHINA'S TOP LNG SUPPLIERS (MN TONS): AUSTRALIA REMAINS WELL AHEAD OF QATAR DESPITE THE LATTER SUPPLYING A RECORD 18.3MN TONS FOR 2024. RUSSIA HAS SURGED AHEAD OF BOTH ONCE PIPELINE VOLUMES ARE ADDED IN*



*RUSSIA HAS LIKELY ALSO OVERTAKEN PIPELINE-ONLY TURKMENISTAN (AROUND 42BCM OR 30MN TONS FOR 2024) AS TOP OVERALL SUPPLIER. SOURCE: CHINA CUSTOMS, IEA, MEES.

Continued from – p8

remains well out in front, despite Qatar notching up a record 18.4mn tons (see chart 4 & p20 for full data). One to watch is the USA: number six with a modest 4.2mn tons, China may well up buying over the coming months in response to tariff threats.

JAPAN: DOWNWARD TREND

*Japan remained by some distance the world's number two LNG importer for 2024 despite volumes falling to a new multi-decade low of 65.9mn tons, with Australia (25.2mn tons) top supplier ahead of Malaysia (10.3mn tons) and the USA (6.3mn tons). Qatar, which a decade ago vied with Malaysia and Australia as top supplier, is now way back at number eight (2.9mn tons), overtaken by Oman (3.4mn tons) as the top Mena-region supplier (see p21 for full data).

*The IEA predicts a further 4% fall in Japan's gas demand for 2025 due to the continued gradual restart of long-mothballed nuclear plants.

KOREA: STEADY GAINS

*In contrast to Japan, the other two mature northeast Asian markets, South Korea and Taiwan, posted new LNG import records for 2024 on the back of continued steady gas demand gains.

*Korea saw LNG imports rise 5% to a record 46.7mn tons, well ahead of India as global number three importer but still almost 20mn tons behind number two Japan. Australia, having overtaken Qatar as top supplier in 2022, strengthened its lead for 2024 with volumes up 9% at 11.5mn tons versus a 3.5% rise to just shy of 9mn tons for Qatar (see chart 6 & p22 for full data).

*Malaysia was number three with a virtually-unchanged 6.2mn tons, with the US up 10% at 5.7mn tons for number four. As with China and Japan, South Korea will no doubt come under sustained pressure from the Trump administration to reduce its trade surplus with the US going forward. And as with the other two of the big three northeast Asian energy importers, the least painful way to do this will be to ramp up imports of US oil and LNG.

*Rounding out the top five of Korea's 2024 LNG suppliers is Oman, down 5% with 4.8mn tons. Korea's import volumes from Oman, have been far more steady than from other top suppliers with the record 5.2mn tons set back in 2006.

*With all of Korea's gas consumption coming from imported LNG, 2024 saw record volumes. However, for 2025 the IEA projects a 3% fall in gas demand/LNG imports driven by reduced demand in the key power sector as new nuclear and renewables capacity starts up.

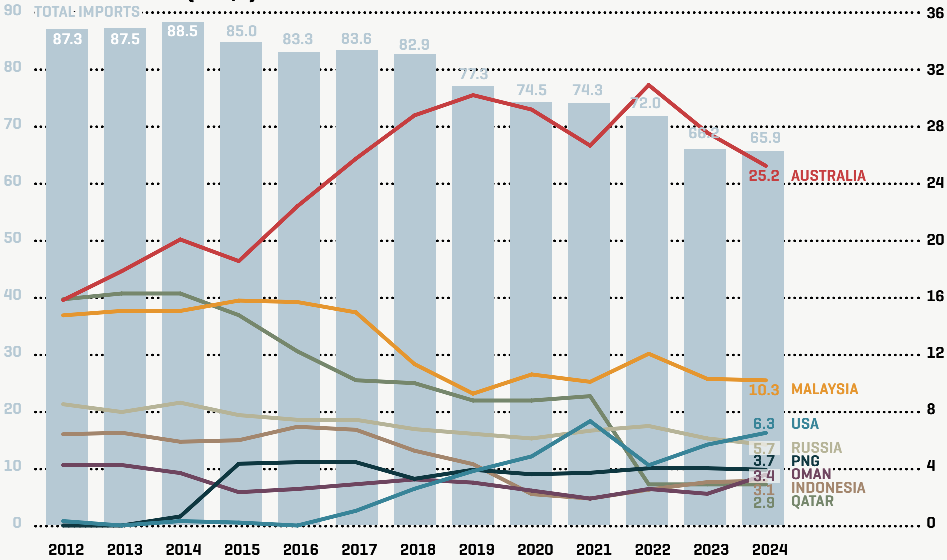
*For both regional and global number five Taiwan, 2024 imports were up 5% at a record 21.52mn tons with Australia (7.95mn tons) ahead of Qatar (5.63mn tons) for top supplier for a fourth straight year and the US third with a record 2.19mn tons (MEES, 10 January).

INDIA: BIGGEST GAINS

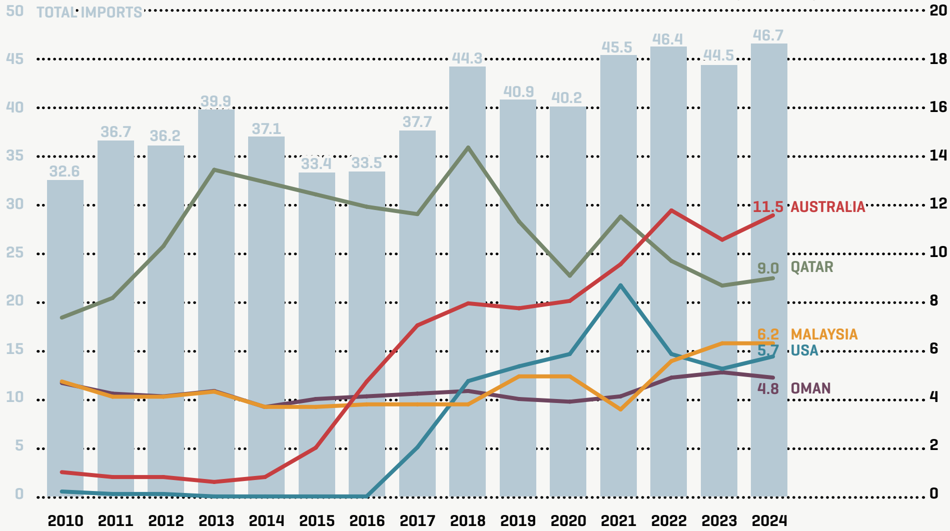
*Of the large LNG importers, India saw the biggest gains for 2024. Imports leapt 25% to a record 27.7mn tons according to a combination of official data to November and Kpler shipping-based figures for December. And, in contrast to the top three Asian buyers, in India Qatar remains a clear number one with 11.3mn tons, up 4% year-on-year. The US saw volumes surge by almost 70% to a record 5.4mn tons, pulling well ahead of number three the UAE (up 4% at 3.2mn tons).

*The IEA ascribes India's 2024 surge in LNG imports to "powerful heatwaves... [which] drove up gas-fired power generation to multi-year highs... Incremental gas demand was primarily met through increased LNG imports." India remains a highly price-sensitive buyer as LNG, and gas more generally, competes with coal as a powergen fuel, so lower prices for 2024 –$10.6/mn BTU for 11M 2024 versus $11.7 for 2023 and a record $17 for 2022 – will also have helped boost demand. Forecasts that India's LNG imports will surge over the coming decade are largely based on expectations that the upcoming surge in supply from the US and Qatar will lead to sustained lower prices.

5: JAPAN LNG IMPORTS (MN T/Y) CONTINUE LONG-TERM DOWNWARD TREND WITH AUSTRALIA DOMINANT



6: SOUTH KOREA IMPORTS RECORD LNG FOR 2024 AS AUSTRALIA EXTENDS LEAD OVER QATAR (MN TONS)



SOURCE: KOREA CUSTOMS, MEES.

Iraqi MPs Undermine Kurdistan's Oil Amendment

Anti-KRG Shia MPs are obstructing joint Baghdad-Erbil efforts to pass a budget amendment allowing higher remuneration to Kurdistan-based IOCs. Bogged down by procedural confusion, another attempt at a vote could come next week.

An amendment to Iraq's Federal budget which could allow a pathway towards resolving the oil impasse with the Kurdistan Regional Government (KRG) has failed to pass parliament. Several Shia lawmakers obstructed the government's attempts to pass the legislation which would increase the per-barrel fee to Kurdistan IOCs from $6.90/B to $16/B (MEES, 8 November 2024).

The proposed change, which was backed by governments in both Baghdad and Erbil, had already met opposition from anti-KRG MPs at the parliamentary finance committee (MEES, 17 January).

Nonetheless, following various finance committee meetings and the standard two parliamentary readings, the amendment was approved by most members of the committee and tabled for a final parliamentary vote on 19 January. But quorum was broken after Shia lawmakers left the session, with the motion re-tabled for 21 January after parliament apparently proposed a new draft to government.

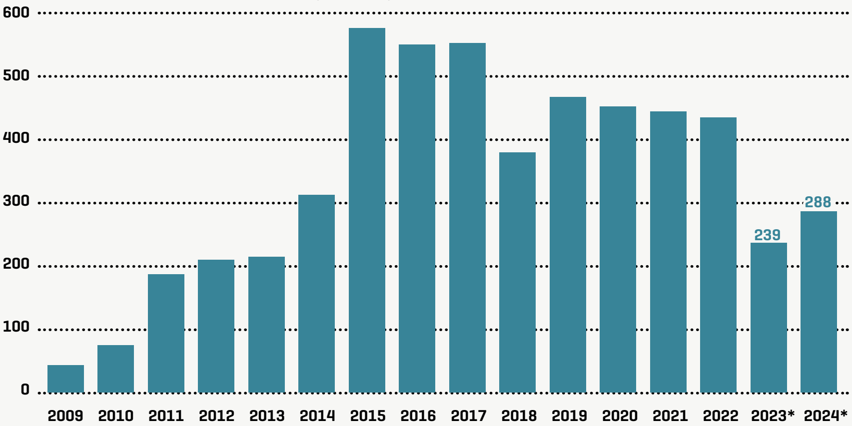
What ensued has caused both confusion and broken the bipartisan Baghdad-Erbil support for the amendment. The Federal government countered by proposing its own changes on 21 January which expanded the original scope of the law and could further undermine the KRG's control over its independent oil sector, as well as complicating local sales by the IOCs.

LOCAL SALES TARGETED?

As it stands, Article 12 of the 2023-25 budget legislation mandates that the KRG hands over 400,000 b/d of crude volumes to state marketer Somo at the Turkish port of Ceyhan, with the finance ministry then sending payments to the KRG covering the IOCs' production and transportation costs (MEES, 16 June 2023).

However, Baghdad on 21 January proposed changes in a letter to parliament calling for revenues from the sale of "crude oil, products and natural gas [both] internally [by KRG and IOCs] and externally [by Somo]" to be deposited in full to the treasury, and without the prior deduction of any IOC production and transportation costs.

KURDISTAN'S OIL** OUTPUT INCREASED BY 50,000 B/D IN 2024 DESPITE ONGOING PIPELINE CLOSURE (000 B/D):



*MEES ESTIMATE. **INCLUDES APPROXIMATELY 15,000 B/D OF KHOR MOR CONDENSATE. SOURCE: KRG, DELOITTE, COMPANY FILINGS, MEES.

In other words, the new phrasing could lead to a takeover of the revenues from local sales which have enabled IOCs to raise the region's output from just 130,000 b/d in July 2023 to nearly 300,000 b/d in recent months. Production averaged 288,000 b/d last year (see chart & MEES, 10 January). Although local sales are at heavily discounted prices, they have enabled IOCs to keep Kurdistan's oil sector afloat, with politically-connected trading firms profiting handsomely.

While Baghdad lacks on-the-ground powers to impose these terms, passage of the law could undermine future budgetary and salary payments to Erbil should the latter obstruct such a mechanism.

The government's move appears to appease the MPs who proposed changes to the original amendment. But it came without coordination with Erbil, and an attempt to bring the amendment to the floor failed on 21 January due to a lack of consensus.

KRG spokesperson, Peshawa Hawramani, said of the government's changes on 23 January that they "harm Iraq as a whole, deepen existing problems, and do not serve the interests of resolving disputes...We reject them outright."

Baghdad's response came immediately. Avoiding any mention of the new changes proposed by the government, its spokesman Bassim al-Awadi denied any wrongdoing and reiterated PM Mohammed al-Sudani's commitment to the original draft, saying that it stressed to parliament "no further modifications that contradict with the original text submitted by cabinet should be made."

GOVERNMENT BUCKLES?

In justifying the takeover of local sales' revenues, finance committee member Mustafa Sanad told al-Rashid TV on 21 January that this was to ensure that Erbil fully hands over all oil revenues in return for its 12% share of the budget (c.$13bn). He denounced the original text's restriction to crude exports, claiming that up to 150,000 b/d is refined locally and smuggled as "naphtha, gasoline and gasoil" to Iran and Turkey. He alluded that the continuation of these sales discourages Erbil from fully adhering to the 400,000 b/d mandate.

Mr Sanad harbors no goodwill for the KRG. He previously worked at the oil ministry and Somo, and has been behind many of the finance committee changes. In mid-2023, he and other Shia lawmakers at the committee played a key role in introducing the fixed-per-barrel clauses, undermining subsequent government efforts to reach an agreement with the IOCs (MEES, 26 April 2024).

Last April, US Republican Congressmen Joe Wilson and Kevin Hern lobbied the White House to sanction Mr Sanad

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and other finance committee MPs, by linking them to Iran-backed groups.

While the government's amendments are clear, there is less clarity over exactly what changes parliament proposed on 19-20 January. Local Kurdish media outlet Rudaw reported on 27 January that the parliament's draft had embedded a proposal to restrict payment to the KRG, and subsequently the IOCs, to "account for" the settlement of long-standing budgetary disputes between Baghdad and Erbil.

With these historically being a source of contention, such a condition could jeopardize full payment to the IOCs once volumes are handed over. Nonetheless, the 21 January government letter does not delve into that condition, but rather strongly opposes committee changes aimed at deducting IOC remuneration directly from revenues before depositing them at the treasury.

The government says this proposal "reduces treasury revenues and contradicts Somo's existing procedures and pricing mechanism throughout Iraq, where all oil revenues are deposited in full at the finance ministry's oil and gas revenues account."

At face value the change could be to the IOCs' benefit, potentially allowing faster payment away from Erbil and Baghdad's whims. But Mr Sanad says this change was proposed to ring-fence against higher future payments to the IOCs which he says they may seek to achieve by disguising their share of production as costs in $-per-barrel terms. Mr Sanad wants payment limited to only pre-agreed costs, which are to be set above or below the initial $16/B by an independent assessment within sixty days of passing the amendment.

The KRG's existing Production Sharing Contracts allow cost recovery and a share of profit oil in volume terms. The budget amendment, in both its original and changed forms, fails to account for payment for the latter.

The only change the government appears willing to concede is allowing the scope to extend beyond crude exports to also include local sales. Its representative struck a neutral tone by advising the introduction of that change "only if the parliament sees it fit to alter the [government's] amendment."

VOTE NEXT WEEK?

Mr Sudani's concession is understandable. The PM hopes to ride his rising popularity which stems from increased government spending and public sector employment over the past two years, to secure a second term after the parliamentary elections later this year. A second term will rely on support from the Kurdistan Democratic Party (KDP) and backing from Shia MPs.

Mr Sanad, and fellow finance committee member Hossein Moanes, who has been sanctioned by the US, argue that the resumption of Kurdish exports would see Baghdad end up sending more to the KRG than it would recoup from the additional crude export revenues, inflating the country's deficit.

This argument has resonated with many Shia MPs, who are now coalescing under the so-called 'Central and South Iraq MP Front'. MPs from this unofficial bloc were key in breaking quorum and "sabotaging" the amendment-vote says Mr Sanad – undoubtedly adding to Mr Sudani's worries.

KDP bloc leader Vian Sabri says the PM met with heads of political blocs on 29 January, urging them to pass the amendment while emphasizing that the resumption of Kurdish oil exports "rests on the vote." Ms Sabri says there is a "general consensus" to pass the amendment on 2 February when it will be top of the parliamentary agenda.

But with three drafts now circulating in parliament, Kurdish MPs remain adamant that only the original November proposal is to be brought to the floor. Iraqi foreign minister, and prominent KDP member, Fouad Hussein hosted a meeting on 31 January involving the KRG and Federal finance ministry to resolve disagreements. Whilst no updates have emerged from that meeting as MEES went to press, Mr Hussein said on 28 January that he also expects "the amendment to pass on next session [2 February]."

Mr Hussein says he told his Turkish counterpart on 26 January that "if parliament votes on it [the amendment], then oil will be exported again."

NOT A SILVER BULLET

But this optimism by Baghdad and Erbil politicians is misplaced. While the IOCs have welcomed the amendment, handing over their output to Somo remains subject to further clarifications on payment mechanism and guarantees of receiving KRG-owed dues. Not to mention clarity on the fate of their PSCs.

In a 23 January statement, London-listed Gulf Keystone Petroleum (GKP), which operates the 45,000 b/d Shaikan field, says that "While Iraqi Parliament approval of the amendment could be an important step towards the resumption of exports, a number of key details remain outstanding regarding payment surety for future oil exports, the repayment of outstanding receivables and the preservation of current contract economics."

Ultimately the oil amendment may at best be a conversation-starter for the region's dominant IOCs as long as local sales are profitable. Of more immediate concern is whether the newly proposed changes to the amendment would stick, adding to the risk of conducting these transactions. ◆◆

IRAQ'S RUMAILA: OUTPUT SLUMPS TO 900KBD

Production at Iraq's giant Rumaila field has dropped 300,000 b/d to 900,000 b/d. An informed source tells MEES that around 130 wells remain shut in following a fire on 24 January. The fire took place at Tank No2 at the field's Degassing Station 5 (DS-5) where a one year rehabilitation program was underway according to Emad Hassan Lafta, general manager of the Rumaila Operating Organization (ROO).

Mr Lafta says the nearby Tank No 3 had to be isolated and cooled down, and that operations at DS-4 were suspended due to pipeline connections with the affected facilities.

The source says work is ongoing to re-route wells to other degassing stations at the field. But given facility constraints, a full rebound to Rumaila's pre-fire levels could be a lengthy process, even though the field was operating well below it 1.45mn b/d capacity due to Opec+ output constraints.

Operations are currently also challenged by a shortage of diesel for Rumaila's electrical submersible pumps. Iraq suffered fuel shortages in Q4 due to refinery turnarounds and higher fuel demand at power plants after Iranian gas supplies were curtailed. Iraq has returned to gasoil/diesel imports this year amidst a bleak summer power demand outlook (see p18 & MEES, 24 January).

BAD NEWS FOR BP

The fire and subsequent loss of capacity could not have come at a worse timing for BP (47.63%) and owner state-firm Basrah Oil Company (BOC). Along with their partner CNPC (46.37%), they had targeted a capacity boost to 1.55mn b/d this year (MEES, 24 November 2023). BP and CNPC hold their stakes through Basra Energy Company, with the remaining 5% held by federal oil marketer Somo. ROO separately groups all partners with BOC to operate the field.

The oil ministry and ROO say that the causes of the fire are yet to be determined, and parliamentarians from Basra have reportedly formed an investigative committee. MP Ali Shaddad al-Faris says "initial findings indicate negligence by the foreign operator," in reference to lead ROO partner BP.

The developments come at a critical juncture for BP's Iraq operations. The major is engaged in deliberate negotiations with Baghdad over the re-development of the aging Kirkuk oilfield in the north of the country (MEES, 17 January). Capacity loss at Iraq's major oilfield and a parliamentary investigation on top could complicate efforts to finalize a deal in early 2025. ◆◆

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GEOPOLITICAL RISK

31.January.2025

Morocco Looks To Renewables In Western Sahara Recognition Powerplay

A second Trump presidency and renewed European support are giving Rabat a long-awaited boost of international recognition for its sovereignty claims to Western Sahara. Critics say plans to tap international investment for multi-GW renewables plans are a bid to 'greenwash' its control.

Rabat has entered the new year with renewed impetus to cement its decades-old sovereignty claims to Western Sahara, which Morocco has occupied since the withdrawal of former colonial power Spain in 1975.

Morocco controls about 80% of the sparsely-populated territory, including the entire 1,110km Atlantic coastline. The Polisario Front controls the remaining 20%, separated by a 2,700km sand wall known as the berm (see map). Algiers is the most vocal international opponent of Moroccan "occupation," supporting – and hosting – the Polisario Front, which has for decades sought an independent state for the indigenous Sahrawi people.

Emboldened by a second Trump presidency and renewed support from Paris and Madrid, Rabat is pressing ahead with renewable energy and other infrastructure in the disputed territory. The upcoming 2030 World Cup, which Morocco will co-host alongside Spain and Portugal, is also spurring Morocco to step up efforts to secure international recognition. Football's governing body Fifa has already declared Morocco's control of Western Sahara to be 'onside': the official World Cup report clearly indicates the region as Moroccan territory.

Morocco sees the massive and ongoing build out of renewable capacity in Western Sahara as key to cementing its control over the territory. Renewables capacity in the region has already hit 660MW with over 1GW more planned (see table). The siting of massive new capacity here is driven at least as much by politics as by renewables potential, whilst signing up large firms from powerful countries is seen as conferring recognition by the back door. Opponents accuse the firms of aiding Rabat to 'greenwash the occupation'.

POWER POLITICS

"Morocco has been working tirelessly for decades on consolidating its control over Western Sahara by creating accomplished facts that are increasingly hard to reverse," says Riccardo Fabiani, North Africa Project Director at the International Crisis Group.

"Building renewable energy projects in this territory can be seen as another way of achieving the same objective and using international support for renewable energy to secure external support for what it is doing there," he tells MEES.

On 21 January, energy minister Leila Benali said renewables accounted for 45.3% of Morocco's total installed capacity, which stood at 12.03GW at end-2024.

This equates to 11.21GW if 814MW of pumped storage hydropower (MEES, 25 October 2024) is excluded. As such, the 660MW of operating solar and wind capacity in Western Sahara equates to just under 6% of Morocco's total installed capacity.

This ramp up in capacity in remote areas necessitates massive investment in transmission infrastructure. State power firm ONEE in November named five shortlisted bidders for a 1,400km "electric highway" that would be capable of transporting 3GW of power – well in excess of current plans – from West-

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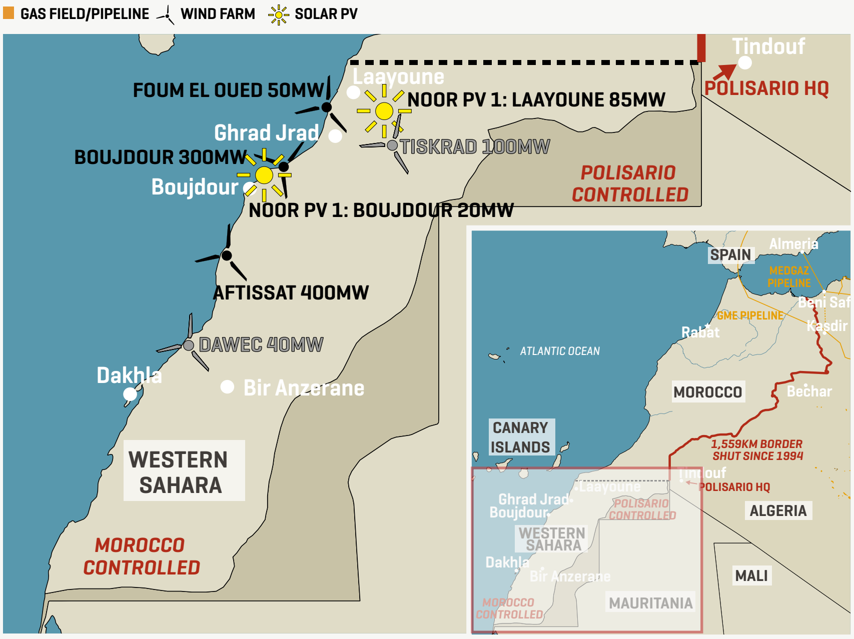
RENEWABLE POWER PROJECTS IN WESTERN SAHARA



RENEWABLE POWER PROJECTS IN WESTERN SAHARA

	MW	Type	Start-up	Operator
Cimar Laayoune	5	wind	2011	Gamesa
Foum El Oued	50	wind	2013	Nareva
Aftissat I	200	wind	2018	Nareva
Noor PV I: Laayoune	85	solar	2018	Acwa Power
Noor PV I: Boujdour	20	solar	2018	Acwa Power
Boujdour wind farm	300	wind	2023	Enel/Nareva
Total operating	**660**			
Planned / Under construction	**1,070**			
Dakhla Dawec	40	wind*	2025*	Engie/Nareva
Aftissat II	200	wind	-	Nareva
Harmattan Dakhla	100	wind	-	AM Wind / Harmattan (ex Soluna)
Bir Anzarane	200	wind	-	CME Windfarm Safi SA
Ghrad Jrad	80	wind	-	Voltalia Maroc
Tiskrad	100	wind	-	Enel/Nareva/Siemens
Noor PV II: Boujdour	350	solar	-	(not yet awarded)

*TURBINE INSTALLATION COMPLETE TO POWER UNDER CONSTRUCTION DESALINATION PLANT. SOURCES: ONEE, MASEN, MEES.

Continued from – p12

ern Sahara to Casablanca from 2027.

And just this week, Morocco inked a deal to establish an electrical interconnection project with southern neighbor Mauritania, whose only border with 'Morocco' is with the Western Sahara. Whether the project takes off remains unclear, but the move was seen as a way of enlisting more regional supporters of the kingdom's claims to the disputed territory.

'GREENWASHING' CLAIMS

Likewise, Morocco, in making awards to established western and other international firms for renewables and other infrastructure in the region is in effect achieving recognition by the back door.

Spain's Gamesa (now owned by Germany's Siemens), developed the region's first wind project which started up in 2011. It has since been joined by Saudi Arabia's Acwa Power – Riyadh is a longstanding ally of Rabat and has long accepted Morocco's control over Western Sahara – and Italy's Enel.

Meanwhile French national champion Engie (formerly Gaz de France) partners Moroccan renewables developer Nareva at a near-complete 40MW integrated wind-desalination project at Dakhla.

And in addition to the firms with operating capacity, France's Voltalia has also signed up to develop 80MW of wind capacity in the region.

But whilst a growing number of countries are recognizing Morocco's control, for now the UN as a whole does not. Both the UN and the European Court of Justice have ruled that the indigenous population of Western Sahara must give their consent before the development of the territory's natural resources.

As such, activists and NGOs campaigning for Western Saharan independence, along with the Polisario Front, repeatedly contest what they describe as Morocco's illegal exploitation of the territory's natural resources, including fisheries, phosphates, and, increasingly, renewable energy.

This leaves the foreign companies investing and operating in the territory subject to legal action, with campaigns accusing them – and the Moroccan government – of 'greenwashing' and often calling for divestment and boycott.

Western Sahara Resource Watch (WSRW), which lobbies western companies and governments to halt investment in Western Sahara, says that renewables projects are being used to cement Moroccan settlement and control the territory.

Speaking to MEES, WSRW board member Erik Hagen notes Engie's near-complete Dakhla wind/desalination project, saying it would enable the inflow of "thousands of Moroccan farmers [to] start working in the agricultural sector north of Dakhla."

RABAT EYES TRUMP 2.0 FOR RECOGNITION BOOST

In December 2020 US President Donald Trump concluded his first term brokering the Abraham Accords peace deal, as part of which both Israel and the US recognized Morocco's claim to Western Sahara (MEES, 11 December 2020). The US signed up for Rabat's 'Autonomy Plan', in which Morocco would grant the territory autonomy under Moroccan sovereignty.

"The United States recognizes Moroccan sovereignty over the entire Western Sahara territory and reaffirms its support for Morocco's serious, credible, and realistic autonomy proposal as the only basis for a just and lasting solution to the dispute over the Western Sahara territory," the White House said at the time.

"The United States believes that an independent Sahrawi State is not a realistic option for resolving the conflict and that genuine autonomy under Moroccan sovereignty is the only feasible solution," it added. The deal was also slated to see the US open a consulate in the territory's town of Dakhla, in order to "promote economic and business opportunities for the region."

Morocco's recognition drive soon ran out of steam, with the new Biden administration opting instead for a more ambiguous policy. Despite approving the deal (MEES, 26 November 2021), the then-new administration reversed its predecessor's decision to open full diplomatic representation in Western Sahara, replacing it with a 'Virtual Presence Post'.

The recognition deal also lost momentum with the war in Gaza (MEES, 13 October 2023), as justifying ties with Israel amid increasing public solidarity with the Palestinians and a growing public discontent with the Moroccan authorities became more challenging.

Today, however, Trump's return to office raises hopes for Morocco to rekindle the recognition deal and gain support against rival Algeria, with whom tensions had been rising since 2021 (MEES, 17 November 2023).

New US Secretary of State Marco Rubio on 27 January spoke with Moroccan counterpart Nasser Bourita. The two "committed to cooperate intensively in advancing shared interests in the region and ending conflicts, including building on the Abraham Accords," according to a State Department statement.

Sarah Zaaimi, a resident senior fellow for North Africa at the Atlantic Council, says the call is a clear indication that Morocco and the Western Sahara conflict are "top priorities on the new administration's radar."

"Morocco hopes to pick things up where it left them in 2020 with President Trump after the tripartite agreement between Morocco, the US, and Israel and for Washington to fulfil its promise of opening a consulate in Dakhla, as previously committed in the presidential proclamation," she tells MEES.

"Officials in Rabat must feel relieved as the period of ambiguity and balancing game between Algeria and Morocco is over," she adds.

For Washington, another motive to revive the deal could be to counter Tehran, whom Moroccan officials accuse of backing the Polisario Front with Iranian-made drones.

"A strong Moroccan-US partnership is more important than ever, not only to strengthen the Abraham Accords and regional integration agenda but, more importantly, to counter Iranian attempts to create a new proxy in North Africa with Polisario militants—which is a risk the US and its allies should address as soon as possible," Ms Zaaimi explains.

RENEWED EUROPEAN SUPPORT

In recent years, Rabat has rejoiced at historic diplomatic shifts in otherwise cautious European positions on the Western Sahara dispute.

In October, during a three-day visit to Rabat, French President Emmanuel Macron told the Moroccan parliament that he believed Western Sahara should be under Moroccan sovereignty, pledging to invest French money there and in other parts of the country, with "up to €10bn" worth of deals inked during his visit (MEES, 1 November 2024).

"For France, this territory's present and future fall under Morocco's sovereignty," he told the lawmakers.

Having long-supported UN-backed plans for Western Sahara self-determination, Mr Macron first announced France's change of heart in a formal letter to Morocco's King Mohammed VI in July 2024. In this he said the autonomy plan was the "only basis" to solve the conflict, marking a historic shift in France's long-held position on the disputed territory.

Unsurprisingly, the move antagonized Algeria, which withdrew its ambassador from Paris, denouncing the policy shift and threatening "consequences."

France's decision followed a similar move by Spain in 2022, when the latter decided to back Morocco's autonomy plan for Western Sahara, dealing a blow to bilateral Algeria-Spain relations (MEES, 10 June 2022).

Today, Morocco sees an opportunity to end the "international fatigue" that has continued for decades over Western Sahara, says Ms Zaaimi.

"Rabat hopes to turn the page on the Western Sahara conflict once and for all after the recognition of France and Spain—the two former colonizers in Africa—of its sovereignty over the disputed territories," she adds. ◆◆

Libya's 1.6mn b/d Output Target Faces Uncertainty Amid Political Turmoil

Libya's lifeblood oil and gas sector continues to face roadblocks as ambitious plans to boost output are hindered by financing challenges and political instability.

Libya's crude output targets are once again under threat amid protests that threatened the country's lifeblood crude exports, as well as concerns over the leadership of state energy firm NOC.

On 28 January, protests briefly disrupted crude loadings of Libya's mostly light sweet crude grades at the key eastern ports of Es Sider and Ras Lanuf (see map). Libya exported a combined 389,000 b/d from the ports in 2024, according to data intelligence firm Kpler, some 40% of the country's crude exports last year.

But NOC was quick to issue reassurances that all terminals were operating "as normal" after negotiating with protesters at Es Sider and Ras Lanuf, according to a statement on the same day.

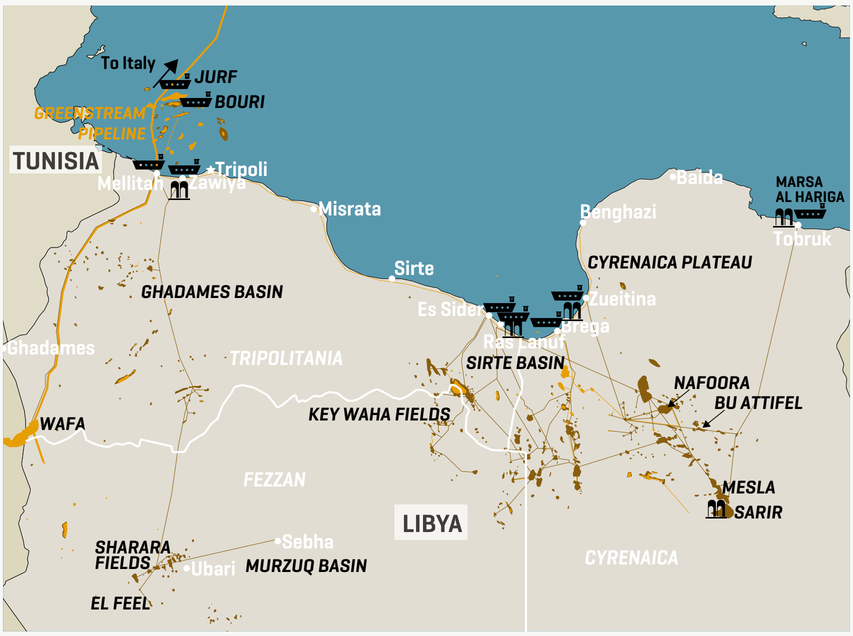
"NOC reassures the Libyan people and our local and international partners that production operations remain in place according to our strategic plans, as do export operations from all oil terminals," the statement read.

The protests by the self-proclaimed Oil Crescent Movement began earlier this month, threatening to shut down the four key crude export terminals of Es Sider, Ras Lanuf, Brega, and Zueitina on the Bay of Sirte 'Oil Crescent' if NOC did not meet their demands to relocate the headquarters of the companies operating the region's fields and terminals to the "marginalized" region (MEES, 10 January).

In a second video statement on 21 January, they reminded the authorities that ignoring their demands would force them to "take escalatory and urgent measures that include the shutdown of oil fields and terminals in the region until a full response is made" (MEES, 24 January).

LIBYA: KEY OIL AND GAS INFRASTRUCTURE

OIL FIELD/PIPELINE · GAS FIELD/PIPELINE · LNG EXPORT TERMINAL · OIL TERMINAL · REFINERY



NOC LEADERSHIP UNCERTAINTY

The latest disruption to Libya's already volatile and politicized oil sector comes amid a shake-up in the leadership of its top body NOC.

On 16 January, Farhat Bengdara resigned as NOC chief, a position he had held since July 2022, having been appointed under a deal between the country's two sometime-rival strongman leaders, Tripoli PM Abdul Hameed Dbeibeh and eastern commander Khalifa Haftar, to maintain their shared control of oil and gas resources (MEES, 15 July 2022).

The PM has appointed NOC board member Masoud Suleiman as acting chief until a new board is formed. An NOC statement says Mr Bengdara resigned on medical grounds, though few believe this.

Mr Bengdara's short tenure was fraught with trouble and heavy criticism over corruption allegations and ties to Mr Haftar and ally UAE. The Tripoli court of appeal questioned the legitimacy of his appointment on the grounds that he holds Emirati nationality (MEES, 19 April 2024).

The shake-up raises questions about the fragile east-west balance of power that was briefly maintained under Mr Bengdara, despite the occasional bouts of instability (MEES, 30 August 2024).

By the end of Mr Bengdara's term, Libya's daily crude and condensate output was hovering above 1.4mn b/d, with NOC saying output hit 1.46mn b/d – and 1.42mn b/d for crude alone – on 31 January.

The future of the sector now depends on how the new NOC chief – whether Mr Suleiman or someone else – manages to keep both sides content, while also ensuring production levels remain on the rise to meet Libya's output ambitions.

Oil minister Khalifa Abdelsadiq told an industry event in Tripoli earlier this month that Libya needs around \$3-4bn to reach its oil production target of 1.6mn b/d by the end of 2025, with a more ambitious target of hitting 2mn b/d within three years (MEES, 19 January 2024).

MEES estimates that crude output averaged 1.35mn b/d for December, the highest monthly figure since early 2013 (MEES, 3 January). But for 2024 as a whole, the impact of August-October shut ins means that output came in at 1.12mn b/d, some 60,000 b/d shy of 2023's 13-year high of 1.18mn b/d (MEES, 11 October 2024).

Auguring badly for the targets is that Mr Abdelsadiq's other key pledge, that a long-awaited bid round for exploration across 22 onshore and offshore concessions would be launched by end-January, has already been missed. The long-planned bid round had already been delayed several times in recent months (MEES, 6 December 2024).

But with ongoing political instability, including protests, politically-motivated blockades, and leadership rivalries, few would bet on the bid round or output targets materializing any time soon. ◆◆

Aramco's 400,000 b/d Jazan Refinery Offline For Maintenance

Saudi Aramco's wholly owned Jazan refinery is undergoing routine maintenance that is scheduled to extend to mid-February. The work follows a record year for the plant.

Saudi Aramco's 400,000 b/d Jazan refinery on the Red Sea coast is currently offline for scheduled maintenance according to trading sources. The refinery has been offline since the beginning of January for maintenance which is planned to last 40 days. Aramco declined to comment on the units on which work is being undertaken.

Jazan is wholly owned by Saudi Aramco and is the kingdom's newest refinery having started up in 2021 (MEES, 22 January 2021). It is unique as the only Saudi refinery not connected to Aramco's crude oil pipeline network and as a result has to receive its crude oil feedstock via seaborne tankers. It is positioned on the southern Red Sea coast around 60km from the Yemen border.

Designed to run on Aramco's own Arab Medium crude, Jazan until mid-2024 received all of its crude feedstock from the Saudi Gulf coast export terminals at Ras Tanura. Shipments from Ras Tanura have to go through the Bab al-Mandeb chokepoint where Yemen's Houthis were attacking shipping throughout 2024 (MEES, 19 January 2024). Even though no attempts were made to target Saudi vessels, Aramco revamped its supply chain last summer and there have been no shipments from Ras Tanura to Jazan since July. Instead, Jazan has been running on a blend of Arab Light and Arab Heavy which can be shipped from Yanbu, positioned north of Jazan on the Saudi Red Sea coast, bypassing the Bab al-Mandeb (MEES, 27 September 2024).

With the refinery currently offline there have been no deliveries since 1 January when the Karan VLCC delivered 1mn barrels of Arab Light and 1mn barrels of Arab Heavy from Yanbu, according to data intelligence firm Kpler (see chart). The maintenance is planned to extend into mid-February, and January deliveries were the lowest since the refinery started up (see chart 1).

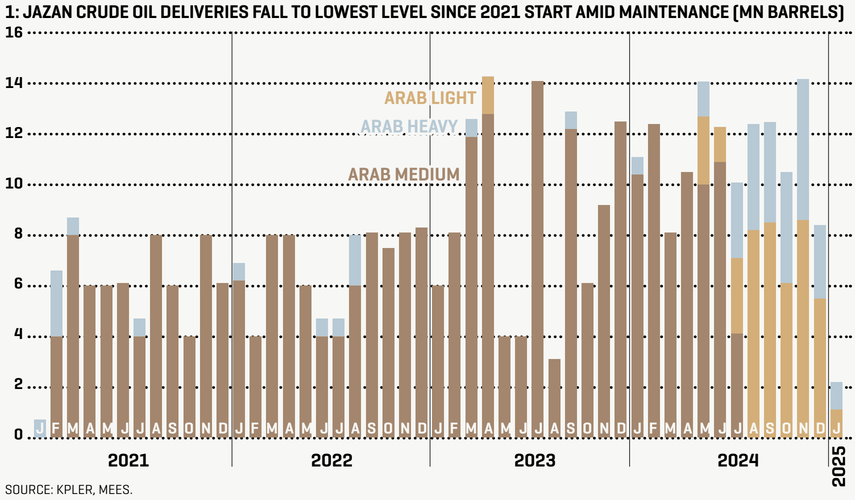
Jazan is reliant on seaborne tankers not only for crude delivery but also for shipping its refined products' output. And there have been no such shipments from Jazan since 9 January. A total of 1.7mn barrels was shipped from Jazan over the course of January.

The ramp up of the Jazan refinery since 2021 had been a slow process, both in terms of increasing run rates and in terms of bringing secondary units online. Last year marked a big step forward, with not just a record 245,000 b/d shipped from Jazan, but also a sharp fall from 52,000 b/d to just 15,000 b/d in shipments of low-value vacuum gasoil (VGO). At the same time, shipments of higher-value gasoil/diesel jumped from 73,000 b/d to 125,000 b/d, of which a record 64,000 b/d was the highest-spec ultra low sulfur diesel (ULSD). Gasoline shipments also increased from 66,000 b/d to a new high of 80,000 b/d (see chart 2).

Saudi Arabia itself is the largest single destination for shipments from Jazan. In addition to volumes trucked for local sale, a record 68,000 b/d was shipped to other Saudi ports last year (see chart 3). A record 41,000 b/d was also shipped to Egypt last year according to Kpler, up from just 8,000 b/d the year before, of which 16,000 b/d went to ATC's storage tanks at Sidi Kerir on the Mediterranean coast.

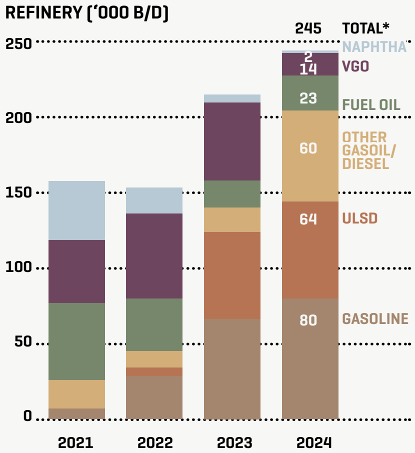
There is no indication that the Jazan maintenance will have a material impact on Saudi products exports. Saudi Arabia has 3.3mn b/d of refining capacity, and with run rates averaging around 2.6mn b/d last year, throughputs can be increased elsewhere to offset the Jazan outages. Maintenance at the 430,000 b/d Yasref refinery in Yanbu had been completed in late December.◆◆

1: JAZAN CRUDE OIL DELIVERIES FALL TO LOWEST LEVEL SINCE 2021 START AMID MAINTENANCE (MN BARRELS)

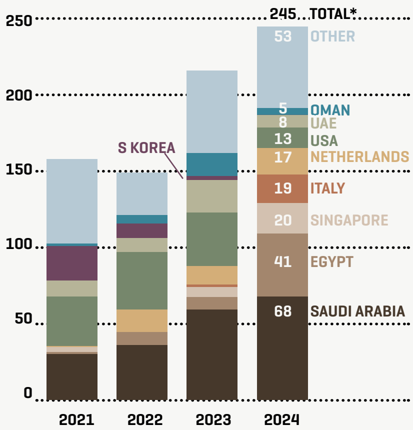


SOURCE: KPLER, MEES.

2: GASOLINE & ULSD CONSTITUTE THE BULK OF PRODUCTS SHIPMENTS* FROM THE JAZAN REFINERY ('000 B/D)



3: SHIPMENTS* BY DESTINATION: FOR 2024, 28% WENT TO OTHER SAUDI PORTS, WHILST EXPORTS WENT FAR & WIDE



*SEABORNE SHIPMENTS ONLY (EXCLUDES VOLUMES TRUCKED FOR LOCAL USE). SOURCE: KPLER, MEES.

Oman's Keeps Gas At Centre Of Power Strategy With 2.4GW CCGT Tender

Oman plans to add 2.4GW of new CCGT capacity by 2029 in recognition that soaring power demand requires reliable baseload supplies. The country's target of generating 30% from renewables by 2030 now looks out of reach.

Oman's state offtaker Nama Power and Water Procurement on 23 January issued a request for qualifications on 2.4GW of new gas fired power generation capacity. The RfQ fleshes out the details on plans originally announced at the end of 2024 with a view to launching a tender in 2Q 2025 (MEES, 6 December 2024).

The 2.4GW will be split across two combined-cycle plants: 1.6GW at Misfah in the high-demand governorate of Muscat, and 800MW in the developing industrial zone at Duqm.

The two plants will be tendered as one project. Nama says that the plan is for "early power" – it is unclear whether at one or both sites – to be produced from 2Q 2028, with "commercial operations" from 2Q 2029. The company estimates a total investment of $1.5bn at Misfah and $750mn at Duqm for a total of $2.25bn.

The latest planned gas-fired additions equate to 25% of Oman's current 9.7GW gas-fired capacity and 21% of the country's total installed capacity which rose to 11.25GW earlier this month with the 1GW addition of the Manah I & II solar PV plants (MEES, 24 January).

These additions near-tripled renewable capacity to 1.55GW. But though another 2GW of renewables is set to be added by end-2027, the latest CCGT plans mean that gas is set to remain dominant in Oman's powergen mix out to the end of the decade and beyond.

With 12.1GW of gas-fired capacity now set to account for 77% of the sultanate's planned end-decade total installed capacity of 15.7GW, and the bulk of this likely to be used for baseload supply, Oman is highly unlikely to hit its official target of renewables providing 30% of Oman's power supply by 2030 (see charts).

For 2023 the renewables figure was just 4% (1.68TWh), as Oman's gas-fired plants provided a record 40.1TWh of Oman's overall 41.8TWh power output, with gas-for-powergen consumption up 9% to 8.3bcm as a result. Full figures for 2024 are yet to be released, but the renewables share is unlikely to have risen from 4%: it may well have dipped given the lack of capacity additions and the rise in overall demand.

Indeed, preliminary figures from state stats body NCIS indicate that higher power demand – peak load was up 13% year-on-year to hit a record 5.34TWh in July (MEES, 24 January) – was met by burning more gas, with power-sector gas consumption up 25% at a record 10.8bcm.

Nama says it is "committed to increasing the share of renewables in the energy mix," but that "it recognizes the ongoing need for thermal power plants to meet base-load electricity demand and ensure grid security." However, if power consumption continues to expand rapidly then the challenge of significantly boosting renewables' share will grow increasingly tough.

Surging demand means that the forecasts for renewables' powergen share contained in Nama's latest 7-Year Statement for 2023-2029 already look out of date.

The Nama forecasts have renewable generation surging to 4.6TWh this year. Given the recent addition of 1GW of solar capacity, this does not look unrealistic given that it equates to an average 30% load factor for the current 1.55GW capacity. However, the surge in demand means that this will not provide 11% of total power generation as per the Nama forecasts.

And, with these forecasts drawn up before plans for the latest gas-fired capacity additions, the report's forecast of renewables' share hitting 31% by 2029 does not look realistic either. This is based on forecast renewables output rising to 9.6TWh in 2027 when 2GW of new wind and solar capacity is slated to come online and 13.4TWh in 2029.

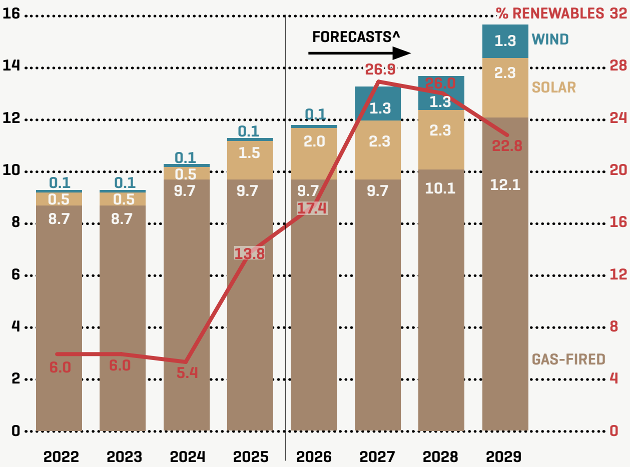
Surging demand now means that not only has Oman drawn up plans for 2.4GW of new gas capacity but plans to retire 1.9GW of gas-fired capacity in 2028 may well be reappraised.

GAS-HUNGRY POWER GEN

The two plants will be Oman's first new CCGTs since 3.2GW of new capacity was brought online in 2019 through the 1.7GW Sohar 3 and 1.5GW Ibri plants (MEES, 2 August 2019). Oman's current 9.7GW of gas-fired power capacity is comprised of 14 plants spread across three disconnected grids. Muscat aims to connect the northern Main Interconnected System (MIS) and the southern Dhofar system by 2027 through the 'Rabt' interconnection project (MEES, 29 March 2024).

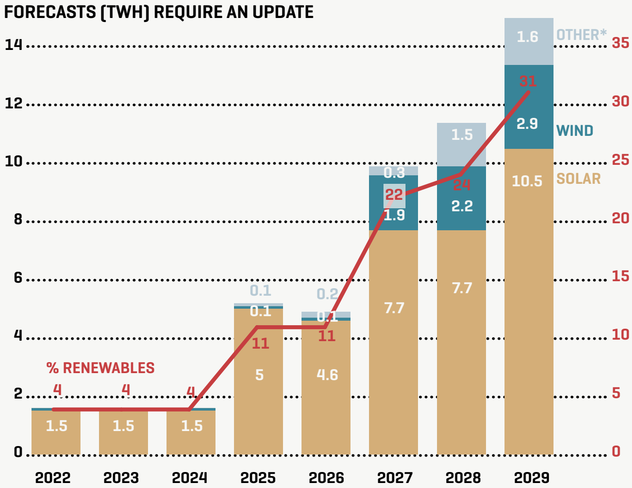
The bulk of this capacity is on the MIS. Here nine gas-fired plants totaling 8.4GW supply the key power demand hubs such as the industrial port Sohar, the capital Muscat and Sur, home to Oman LNG's three-train 11.4mn t/y liquefaction facility. ◆◆

1: OMAN'S INSTALLED POWER CAPACITY (GW): LATEST CCGT PLANS MEAN THAT THE GAS SHARE* WILL REMAIN NEAR-80% OUT TO THE END OF THE 2020s...



*PRESUMES PLANS TO RETIRE 1.9GW OF GAS-FIRED CAPACITY IN 2028 ARE POSTPONED. ^ALL 2025 CAPACITY ADDITIONS ARE ALREADY ONLINE. SOURCE: NAMA, OETC, MEES.

2:...WHILST RISING DEMAND MEANS OMAN'S CURRENT RENEWABLES FORECASTS (TWH) REQUIRE AN UPDATE



*INCLUDES WASTE-TO-ENERGY AND DISTRIBUTED SOLAR. FIGURES DIFFER SLIGHTLY FROM NCSI GOVERNMENT DATA. SOURCE: NAMA, MEES.

◆◆

MBS-Trump Investment Pledge Boosts Aramco US LNG Investment Plans

Saudi Arabia's pledges to hike investment in the US should bolster Aramco's plans to invest in US LNG projects. Having been an early mover in US energy-sector investment, Aramco has been joined by other Gulf NOCs in recent years.

Saudi-US economic relations were thrown into the spotlight last week when Crown Prince Mohammed bin Salman Al Saud pledged $600bn in additional trade and investment over the next four years during a phone call with the newly inaugurated President Donald Trump.

Such statements are music to the ears of Mr Trump, who swiftly added during his speech to the annual WEF gathering in Davos that "I'll be asking the Crown Prince, who's a fantastic guy, to round it out to around $1 trillion" (MEES, 24 January).

An increase on the scale of $600bn over four years, let alone $1 trillion, looks unachievable, but high-profile investments will likely be announced in the coming years. Economic relations between the two countries have weakened considerably in recent years, with the value of bilateral trade dropping from $76bn in 2013 to just $32bn last year. This is largely the result of Saudi oil exports to the US slumping as US domestic output has surged to record levels with the US becoming a substantial net oil exporter. Last year's US imports of 273,000 b/d Saudi crude were the lowest since 1985 (MEES, 10 January), and a far cry from the 1.73mn b/d peak in 2003.

As a result, Saudi Arabia has been running a trade deficit with the US for the past two years (see chart 1). The value of Saudi exports fell to around $12.5bn, its lowest in MEES records back to 2013, while imports look to have exceeded $19bn for the first time since 2016.

Historically, a large portion of Saudi crude oil exports to the US went to refineries operated by the Motiva 50:50 joint venture with Shell. This operated three refineries with a combined crude processing capacity of 1.065mn b/d, but was split up in 2017 with Aramco ending up with a 100% stake in the 600,000 b/d Port Arthur refinery (MEES, 10 March 2017). The Port Arthur plant accounted for 115,000 b/d of Saudi crude volumes last year according to Kpler.

As Saudi Arabia's sovereign wealth fund, the PIF can be expected to be a key driver of any increased investment in the US. Any such move would mark a reversal on recent trends, with the PIF's holdings in the US having been steadily dropping since early 2022 according to its SEC filings (see chart 2). Although there was an increase to $26.75bn in Q3 according to the latest filings, this remains well below 1Q 2022's $43.57bn. Moreover, the PIF has said it plans to focus more on domestic investments going forward, which absent a recalibration would limit its ability to significantly increase US investments.

ARAMCO EYES US LNG STAKES

While Saudi Aramco has reduced its US exposure over the past decade, its peers from the Gulf have been travelling in the opposite direction.

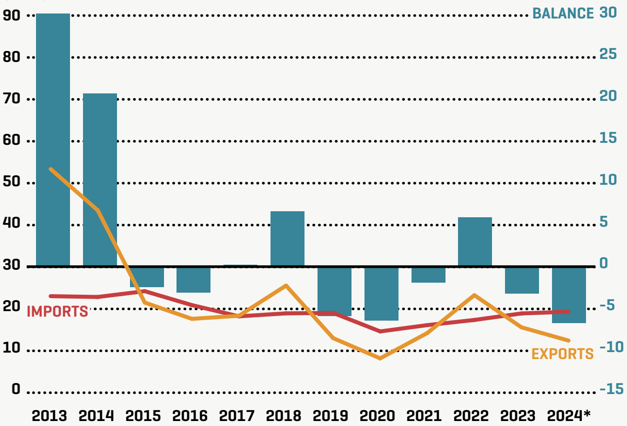
After years of delay, QatarEnergy (70%) and ExxonMobil (30%) are due to export the first cargo from their 18mn t/y Golden Pass development by year-end. QatarEnergy is also partnering with Chevron Phillips to develop an $8.5bn US Gulf Coast petrochemicals facility centered around a 2.08mn t/y ethane cracker. This Golden Triangle Polymers complex is due online next year. QatarEnergy has also looked into adding US upstream assets to its portfolio, although it has yet to do so (MEES, 1 November 2019).

Meanwhile Abu Dhabi's Adnoc also has downstream exposure in the US through its 25% stake in the Borealis JV with OMV (75%). Borealis in turn partners with TotalEnergies in the 50:50 Baystar JV which started up a 1mn t/y ethane cracker in 2022 and a 625,000 t/y polyethylene plant the following year. Adnoc followed this up last year with a deal to acquire an 11.7% stake in NextDecade's $14.8bn Phase 1 Rio Grande LNG project in Texas (MEES, 24 May 2024).

Saudi Aramco is looking to follow its Gulf counterparts in investing in the burgeoning US LNG sector, and the kingdom's pledge to increase US investments would appear to bolster the prospects of such a move. In June, Aramco and US firm Sempra signed a non-binding Heads of Agreement (HoA) for Aramco to take a 25% stake in the planned 13mn t/y Port Arthur Phase 2 project (MEES, 28 June 2024). Aramco intends to become a global LNG leader, and investing in US projects would not just help it achieve this but also have broader political benefits.

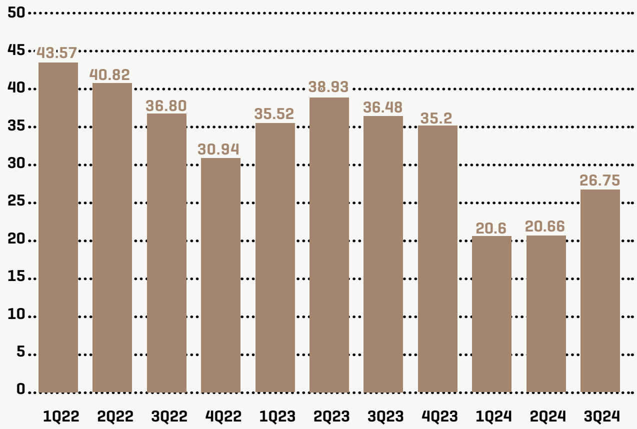
There is also the potential for further growth in the chemicals sector, where Saudi petchems firm Sabic and ExxonMobil started up a 50:50 JV 1.8mn t/y ethane cracker in Texas in 2022. ◆◆

1: SAUDI TRADE WITH THE US HAS DROPPED SHARPLY OVER THE PAST DECADE ($BN), AS OIL EXPORTS HAVE BEEN RE-ROUTED INTO ASIAN MARKETS



*MEES FORECAST BASED ON 11M DATA. SOURCE: GENERAL AUTHORITY FOR STATISTICS, MEES.

2: PIF'S HOLDINGS IN THE US HAVE DROPPED SHARPLY SINCE EARLY 2022 ($BN)



SOURCE: SEC, MEES.

NEWS IN BRIEF

KRG: GENEL FINALIZING TAQ TAQ EXIT

Genel Energy says it has agreed terms with Iraq's Kurdistan Regional Government for exiting the Taq Taq PSC, noting that this will "remove the risk of any residual decommissioning liabilities." Taq Taq was the largest IOC-operated field in Kurdistan in 2014 with 103,000 b/d output, peaking at 116,000 b/d in 2015, but it suffered a catastrophic output collapse as geological challenges prompted huge reserve downgrades from 2017 (MEES, 31 March 2017). Output was below 5,000 b/d even prior to the 2023 closure of the KRG's export pipeline, and Genel opted not to produce from it last year (MEES, 26 January 2024).

In its heyday, Taq Taq was the core asset of a broad Kurdistan portfolio for Genel, but the London-listed firm is now down to just a 25% non-operated stake in DNO's Tawke field – where gross output of around 80,000 b/d at least yielded working interest output of 19,650 b/d. The KRG revoked Genel's PSCs for the Bina Bawi and Miran gas fields in 2021, with the London Court of International Arbitration last year upholding the move (MEES, 13 December 2024). Genel says it won't appeal the ruling and is focused on acquiring new assets to diversify its holdings.

SAUDI ECONOMY RETURNS TO GROWTH

Saudi Arabia's economy returned to growth in 2024, flipping from the previous year's 1.7% contraction to 1.3% growth. This was driven by continued strong non-oil sector growth of 4.3%, which was broadly flat year-on-year, while ongoing Opec+ cuts resulted in another year of contraction of the oil sector, which shrank by 4.5%.

The non-oil growth was in line with government expectations of 4-5% for the year (MEES, 10 May 2024). Saudi Arabia's 2025 budget document states that for 2025, it expects "real GDP will grow by 4.6%, driven by an increase in non-oil activities." The IMF is more conservative, but still projects strong 3.3% growth this year.

BAKER HUGHES: SAUDI JAFURAH UNCONVENTIONAL GAS AWARD

US services firm Baker Hughes announced on 30 January that it has been awarded a 'significant' order by Spain's Tecnicas Reunidas for six gas compression trains and six propane compressors as part of the third phase of Saudi Aramco's Jafurah Basin unconventional gas megaproject. Tecnicas Reunidas (60%) and Sinopec (40%) had previously been preliminarily awarded a contract for development of three compression plants for Jafurah Phase III worth $2.24bn.

SAUDI EXPANDS RED SEA PRODUCTS DISTRIBUTION

Saudi Arabia has completed the establishment of the 3.4mn barrel Yanbu Distribution Center for Petroleum Products, says the Ministry of Energy. In an announcement this month, the ministry says that the North Jeddah Distribution Center's storage capacity has also been expanded by 1mn barrels, and two 348km pipelines with capacity to handle 384,000 b/d of products linking the two centers have been constructed. The ministry says that this new connection between Yanbu's three refineries with combined capacity of 1.08mn b/d and demand centers in the region will help strengthen security of supply, especially during the Hajj season.

SAUDI COMMISSIONS 2.1GW SHUAIBAH-2 SOLAR

China Energy Engineering Corporation (CEEC) says that Saudi Arabia's 2.06GW Shuaibah-2 solar PV plant has now been commissioned.

CEEC was the EPC contractor for the project, and in a 23 January announcement, it says that the plant was put into operation on 15 January, having been connected to the grid in late-2024 (MEES, 1 November 2024). Shuaibah-2 is now the largest solar plant in Saudi Arabia, overtaking the 1.5GW Sudair facility and boosting the kingdom's total renewables capacity to 6.46GW (see table).

Saudi Arabia targets 100-130GW of renewables being connected to the grid by 2030, and is investing heavily to upgrade the grid to enable this. As part of this, it targets 48GWh of battery energy storage system (BESS) capacity by 2030. It has now added the first large-scale BESS plant, with a 2GWh plant at Bisha, around 350km south east of Jeddah, developed by Saudi Electricity Company (SEC). EPC work was undertaken by the State Grid Corporation of China and local firm Alfanar.

SAUDI ARABIA'S GRID CONNECTED RENEWABLE PROJECTS

Plant	Status	Capacity (MW)	Track
Sakaka	Operational	300	NREP Round 1
Dumat Al-Jandal	Operational	400	NREP Round 1
Rabigh	Operational	300	NREP Round 2
South Jeddah	Operational	300	NREP Round 2
Sudair	Operational	1,500	PIF
Ar Rass	Operational	700	NREP Round 3
Al Shuaibah	Operational	600	NREP Round 2
Al Shuaibah 2	Grid Connected	2,060	PIF
Saad	Grid Connected	300	NREP Round 3
TOTAL GRID CONNECTED		**6,460**	

SOURCE: MINISTRY OF ENERGY, JINKO POWER, CEEC, MEES.

IRAQ RESUMES GASOIL IMPORTS

Iraq is again importing gasoil/diesel, almost a year after saying it has quit with the start-up of the 140,000 b/d Karbala refinery and other capacity additions (MEES, 16 February 2024).

Oil Minister Hayan Abdulghani will soon sign-off a tender award for 700,000-800,000 tons (5.2-5.9mn barrels) covering the remainder of 2025.

Karbala's theoretical 25,000 b/d of gasoil output should be enough to prevent imports. But the facility has consistently faced technical challenges, and Iraq suffered shortages in Q4 (MEES, 25 October 2024). This saw a 298,000-barrel cargo of ultra-low sulfur diesel imported in November according to data intelligence firm Kpler, although an official tells MEES that the only cargo imported last year was subsequently sent back.

Gasoil/diesel is used in private neighborhood generators which are key to keeping lights on during power cuts. But with Iraq already facing blackouts this winter due to curtailed Iranian gas exports (MEES, 24 January), two diesel/gasoil cargos totaling 100,000 tons (746,000 barrels) were earlier bought for January-February delivery. Kpler shows a single 350,000-barrel cargo arriving from Fujairah on 15 January, and MEES understands that a second delivery is expected soon.

EGYPT TAPS CYPRUS FOR FSRU

Cairo is in talks to 'borrow' Cyprus' Etyfa Prometheus Floating Storage and Regasification Unit (FSRU) which is undergoing testing off Malaysia after construction in China (MEES, 13 December 2024). With Cyprus' own LNG import plans heavily delayed, Nicosia has no use for the vessel until end-2025 at best (MEES, 2 August 2024).

"The vessel is still being readied, but Cyprus has received interest from Egypt to certify the FSRU [and use it] for a certain amount of time until we need it in Cyprus," Energy Minister George Papanastasiou says. Egypt would certify the vessel in exchange for its short-term use, MEES understands. The minister was speaking at a joint press conference on 24 January with Egypt's oil minister Karim Badawi (see p3).

Egypt has two FSRU-capable berths at Ain Sukhna on the Red Sea. It imported 30 cargoes, a seven-year high last year via the Hoegh Galleon (MEES, 10 January 2024) and in December signed a deal with New Fortress Energy to lease a second vessel, the Energos Eskimo, from 2H 2025 (MEES, 6 December 2024).

If Egypt is able to secure the Etyfa Prometheus it may delay the arrival of the Energos Eskimo until the Hoegh Galleon departs in early 2026.

Nicosia has also been in talks about the FSRU going to Greece where it would also receive the requisite certification and operate until Cyprus' onshore facilities are ready to receive the vessel.

Mr Papanastasiou is hopeful the onshore receiving facilities will be ready by the end of the year, allowing Cyprus to finally import LNG in early 2026.

CRUDE OFFICIAL SELLING PRICES ($/B)

SELECTED DATA

	Sep23	Oct23	Nov23	Dec23	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Jan25	Feb25	Mar25
IRAN: to Asia (FOB Kharg Island, vs Oman/Dubai average)																			
Iranian Light (33-34°)	+3.45	+3.50	+3.85	+4.00	+3.60	+1.75	+1.75	+1.95	+2.25	+3.10	+2.60	+2.10	+2.35	+1.70	+2.60	+2.15	+1.35	+1.95	
vs Saudi Arab Light	*-0.05*	*-0.10*	*-0.15*	*+0.00*	*+0.10*	*+0.25*	*+0.25*	*+0.25*	*+0.25*	*+0.20*	*+0.20*	*+0.30*	*+0.35*	*+0.40*	*+0.40*	*+0.45*	*+0.45*	*+0.45*	
Iranian Heavy (30-31°)	+1.80	+1.75	+1.75	+1.80	+1.40	-0.50	-0.70	-0.45	+0.05	+1.10	+0.80	+0.10	+0.15	-0.65	+0.25	-0.10	-0.80	-0.30	
vs Saudi Arab Medium	*-1.55*	*-1.70*	*-1.70*	*-1.55*	*-1.35*	*-1.25*	*-1.25*	*-1.30*	*-1.30*	*-1.25*	*-1.15*	*-1.15*	*-1.10*	*-1.10*	*-1.10*	*-1.05*	*-1.05*	*-1.05*	
Foroozan (31°)	+1.75	+1.75	+1.85	+1.85	+1.50	-0.35	-0.50	-0.25	+0.25	+1.25	+0.90	+0.25	+0.30	-0.40	+0.50	+0.15	-0.55	-0.05	
South Pars Condensate	+0.10	+0.15	+0.25	+0.45	+0.20	-1.75	-1.80	-1.50	-1.00	+0.10	-0.25	-0.95	-0.95	-1.95	-1.15	-1.55	-2.20	-1.80	
Soroosh (18.6°) vs Iran Heavy	-3.60	-3.50	-3.50	-3.25	-3.10	-3.05	-2.85	-2.80	-2.80	-2.65	-2.70	-2.70	-2.75	-2.95	-3.05	-3.10	-3.05	-3.15	
to Northwest Europe/South Africa (FOB Kharg Island, vs ICE Brent)																			
Iranian Light (33-34°)	+4.15	+4.00	+5.40	+3.15	+1.15	-0.80	-0.75	-1.25	-1.15	+0.65	+1.65	+2.50	-0.20	-1.00	-1.90	-1.60	-2.70	-1.35	
vs Saudi Arab Light	-1.65	-1.70	-1.80	-1.75	-1.75	-1.70	-1.65	-1.55	-1.45	-1.45	-1.45	-1.50	-1.45	-1.45	-1.45	-1.45	-1.45	-1.40	
Iranian Heavy (30.7°)	+1.90	+1.75	+3.15	+0.90	-1.10	-2.55	-2.50	-3.00	-2.90	-1.20	-0.20	+0.70	-2.00	-2.80	-3.70	-3.40	-4.50	-3.15	
vs Saudi Arab Medium	*-2.70*	*-2.75*	*-2.85*	*-2.80*	*-2.80*	*-2.75*	*-2.70*	*-2.60*	*-2.50*	*-2.50*	*-2.50*	*-2.50*	*-2.45*	*-2.45*	*-2.45*	*-2.45*	*-2.45*	*-2.40*	
Foroozan (31°)	+1.95	+1.80	+3.15	+0.90	-1.00	-2.40	-2.20	-2.70	-2.60	-0.80	+0.20	+0.90	-1.80	-2.60	-3.65	-3.35	-4.40	-8.00	
to Mediterranean (FOB Kharg Island, vs ICE Brent)																			
Iranian Light (33-34°)	+2.65	+2.55	+4.45	+2.55	+0.70	-1.20	-1.10	-1.70	-1.50	+0.60	+1.60	+2.50	-0.25	-1.00	-1.80	-1.50	-2.60	-1.25	
vs Saudi Arab Light	-1.85	-1.85	-1.85	-1.85	-1.70	-1.60	-1.50	-1.50	-1.40	-1.40	-1.40	-1.40	-1.40	-1.35	-1.25	-1.25	-1.25	-1.20	
Iranian Heavy (30-31°)	+0.20	+0.05	+1.95	+0.10	-1.75	-2.55	-3.10	-3.70	-3.50	-1.50	-0.50	+0.40	-2.35	-3.10	-3.90	-3.60	-4.70	-3.35	
Foroozan (31°)	+0.25	+0.15	+1.95	+0.00	-1.65	-2.40	-2.85	-3.50	-3.25	-1.20	-0.20	+0.60	-1.80	-2.90	-3.85	-3.55	-4.60	-3.25	
SAUDI ARABIA: to Asia (FOB Ras Tanura, vs Oman/Dubai average)																			
Arab Super Light (>40°)	+4.95	+5.45	+5.45	+5.45	+4.95	+2.95	+2.95	+2.95	+2.95	+3.45	+2.95	+2.75	+2.95	+2.45	+2.95	+2.45	+1.75	+2.25	
Arab Extra Light (36-40°)	+2.55	+2.85	+3.35	+4.05	+3.55	+1.55	+1.50	+1.70	+2.10	+2.80	+2.20	+1.60	+1.70	+1.10	+2.00	+1.50	+0.90	+1.50	
Arab Light (32-36°)	+3.50	+3.60	+4.00	+4.00	+3.50	+1.50	+1.50	+1.70	+2.00	+2.90	+2.40	+1.80	+2.00	+1.30	+2.20	+1.70	+0.90	+1.50	
Arab Medium (29-32°)	+3.35	+3.45	+3.45	+3.35	+2.75	+0.75	+0.55	+0.85	+1.35	+2.35	+1.95	+1.25	+1.25	+0.45	+1.35	+0.95	+0.25	+0.75	
Arab Heavy (<29°)	+1.60	+1.70	+1.70	+2.00	+1.70	-0.30	-0.30	+0.00	+0.50	+1.60	+1.20	+0.50	+0.50	-0.50	+0.20	-0.20	-0.90	-0.50	
IRAQ: to Asia (vs Oman/Dubai average)																			
Basrah Medium (FOB)	+1.40	+1.80	+2.10	+1.80	+1.00	-0.80	-0.80	-0.60	+0.00	+1.00	+0.60	-0.10	+0.00	-0.50	+0.40	+0.00	-0.60	+0.05	
vs Saudi Arab Heavy	*-0.20*	*+0.10*	*+0.40*	*-0.20*	*-0.70*	*-0.50*	*-0.50*	*-0.60*	*-0.50*	*-0.60*	*-0.60*	*-0.60*	*-0.50*	*+0.00*	*+0.20*	*+0.20*	*+0.30*	*+0.55*	
Basrah Heavy (FOB)	-1.90	-1.60	-1.40	-1.60	-1.90	-3.80	-4.10	-4.00	-3.20	-1.95	-2.25	-3.00	-3.00	-3.50	-2.75	-3.15	-3.70	-3.20	
KUWAIT: to Asia (FOB, vs Oman/Dubai)																			
Kuwait Export Blend (31°)	+2.85	+3.05	+3.05	+2.85	+2.10	+0.25	+0.25	+0.55	+1.15	+2.35	+1.95	+1.25	+1.25	+0.15	+1.00	+0.60	+0.00	+0.45	
vs Saudi Arab Medium	*-0.50*	*-0.40*	*-0.40*	*-0.50*	*-0.65*	*-0.50*	*-0.30*	*-0.30*	*-0.20*	*+0.00*	*+0.00*	*+0.00*	*+0.00*	*-0.30*	*-0.35*	*-0.35*	*-0.25*	*-0.30*	
Kuwait Super Light (48°)	+2.15	+2.45	+2.95	+3.35	+2.45	+0.65	+0.70	+0.90	+1.40	+2.35	+1.95	+1.35	+1.25	+0.25	+1.00	+0.60	+0.00	+0.50	
Khafji (28.5°)	+1.60	+1.70	+1.70	+2.00	+1.70	-0.30	-0.30	+0.00	+0.50	+1.60	+1.20	+0.50	+0.50	-0.50	+0.20	-0.20	-0.90	-0.50	
Hout (33°)	+3.42	+3.52	+3.71	+3.66	+3.10	+1.10	+1.00	+1.25	+1.66	+2.61	+2.16	+1.51	+1.60	+0.85	+1.75	+1.30	+0.56	+1.10	
ABU DHABI																			
Murban (40.3°)	80.78	87.28	93.92	91.00	83.32	77.69	79.06	80.99	84.52	89.14	83.93	82.52	83.80	77.94	73.41	74.87	72.81	73.28	
Das (38.8°)	80.18	86.68	93.32	90.40	82.72	76.99	78.31	80.19	83.82	88.39	83.28	81.77	83.00	77.19	72.71	74.27	72.36	72.88	
Das-vs Murban	-0.60	-0.60	-0.60	-0.60	-0.60	-0.70	-0.75	-0.80	-0.70	-0.75	-0.65	-0.75	-0.80	-0.75	-0.70	-0.60	-0.45	-0.40	
Umm Lulu (38.7°)	80.93	87.48	94.17	91.25	83.57	77.94	79.31	81.14	84.67	89.34	84.13	82.67	84.00	78.19	73.66	75.05	73.06	73.53	
Umm Lulu-vs Murban	+0.15	+0.20	+0.25	+0.25	+0.25	+0.25	+0.25	+0.15	+0.15	+0.20	+0.20	+0.15	+0.20	+0.25	+0.25	+0.20	+0.25	+0.25	
Upper Zakum (34.1°)	80.78	86.68	93.42	90.50	83.82	77.49	78.91	80.99	84.42	89.74	84.23	82.52	83.85	77.49	73.46	74.82	72.81	73.28	
Upper Zakum-vs Murban	+0.00	-0.60	-0.50	-0.50	+0.50	-0.20	-0.15	+0.00	-0.10	+0.60	+0.30	+0.00	+0.05	-0.45	+0.05	-0.05	+0.00	+0.00	
DUBAI																			
Dubai (31°, vs Oman)	+0.00	+0.00	+0.00	+0.05	+0.05	+0.05	+0.10	+0.00	+0.00	+0.00	-0.10	+0.00	+0.00	+0.10	+0.00	+0.00	+0.00	+0.05	+0.05
outright price	80.54	86.57	92.77	89.84	83.22	77.26	78.85	80.85	84.14	89.30	83.79	82.50	83.85	77.64	73.49	74.82	72.46	73.21	
OMAN																			
Oman (34°)	80.54	86.57	92.77	89.79	83.17	77.21	78.75	80.85	84.14	89.30	83.89	82.50	83.85	77.54	73.49	74.82	72.46	73.16	

SAUDI LPG OFFICIAL CONTRACT PRICES ($/T)

	Oct23	Nov23	Dec23	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Jan25	Feb25
Propane	600	610	610	620	630	630	615	580	580	580	590	605	625	635	635	625	635
Butane	615	620	620	630	640	640	620	585	565	565	570	595	620	630	630	615	625
propane vs butane	*-15*	*-10*	*-10*	*-10*	*-10*	*-10*	*-5*	*-5*	*+15*	*+15*	*+20*	*+10*	*+5*	*+5*	*+5*	*+10*	*+10*

CHINA LNG IMPORTS:
QATAR SUPPLIES RECORD VOLUMES FOR 2024 BUT AUSTRALIA INCREASES LEAD AS TOP SUPPLIER

SELECTED DATA

Volume (mn tons)	2024	vs 2023	%	2023	2022	2021	4Q24	vs 3Q24	%	vs 4Q23	%	3Q24	2Q24	1Q24	4Q23	Oct24	Nov24	Dec24
Australia	26.19	+2.07	+8.6	24.12	22.02	31.40	6.74	+0.69	+11.4	-0.10	-1.4	6.05	7.16	6.25	6.84	2.26	2.20	2.28
% of total	34.2	+0.3		33.9	34.5	39.3	34.2	+2.5		+0.3		31.8	39.2	31.7	33.9	35.1	36.0	31.9
Qatar	**18.35**	+1.70	+10.2	**16.65**	**15.73**	**9.08**	**5.29**	+0.77	+17.2	+0.68	+14.7	**4.51**	**3.34**	**5.20**	**4.61**	**1.36**	**1.78**	**2.15**
% of total	23.9	+0.5		23.4	24.7	11.4	26.9	+3.2		+4.0		23.7	18.3	26.4	22.9	21.2	29.1	30.1
Russia	8.31	+0.27	+3.3	8.04	6.56	4.61	2.32	-0.15	-6.2	+0.46	+24.9	2.47	1.88	1.64	1.86	0.74	0.67	0.91
Malaysia	7.69	+0.61	+8.6	7.08	7.39	8.27	1.72	+0.07	+4.0	-0.18	-9.7	1.65	2.01	2.31	1.90	0.43	0.62	0.68
USA	4.16	+1.03	+32.8	3.13	2.12	9.26	1.10	-0.49	-30.7	+0.10	+10.2	1.58	0.60	0.87	1.00	0.76	0.13	0.20
Indonesia	3.55	-0.44	-11.0	3.98	3.76	5.15	0.76	-0.03	-3.7	-0.25	-24.7	0.79	1.02	0.98	1.01	0.21	0.42	0.13
PNG	2.36	-0.12	-4.9	2.48	2.39	3.21	0.52	-0.11	-17.8	-0.15	-22.9	0.63	0.62	0.59	0.67	0.16	0.16	0.20
Nigeria	1.37	+0.20	+16.9	1.18	0.44	1.55	0.25	-0.17	-40.1	-0.30	-54.3	0.42	0.32	0.38	0.55	0.07	0.00	0.18
Oman	**1.12**	+0.09	+9.1	**1.02**	**0.96**	**1.65**	**0.13**	-0.13	-49.5	-0.38	-74.3	**0.26**	**0.33**	**0.39**	**0.51**	**0.06**	**0.00**	**0.07**
UAE	**0.85**	+0.18	+27.4	**0.67**	**0.12**	**0.73**	**0.18**	+0.06	+48.1	-0.07	-28.1	**0.12**	**0.31**	**0.25**	**0.25**	**0.00**	**0.12**	**0.06**
Mozambique	0.84	+0.16	+23.4	0.68	0.00		0.22	-0.01	-2.9	-0.05	-17.7	0.23	0.14	0.25	0.27	0.15	0.02	0.06
Brunei	0.77	+0.06	+8.2	0.71	0.32	0.64	0.13	+0.06	+94.6	-0.13	-49.6	0.07	0.26	0.32	0.26	0.13	0.00	0.00
Peru	0.32	+0.17	+116.3	0.15	0.22	0.20	0.07	+0.00	+1.0	+0.07	-	0.07	0.12	0.06	0.00	0.00	0.00	0.07
Trinidad	0.23	-0.14	-37.4	0.37	0.41	0.44	0.06	-0.02	-21.4	-0.07	-52.4	0.08	0.07	0.02	0.14	0.06	0.00	0.00
TOTAL LNG IMPORTS	**76.6**	+5.46	+7.7	**71.2**	**63.8**	**79.9**	**19.68**	+0.63	+3.3	-0.47	-2.3	**19.05**	**18.24**	**19.68**	**20.15**	**6.43**	**6.11**	**7.14**
from Mena	20.47	+1.51	+8.0	18.96	17.23	13.0	5.63	+0.74	+15.1	+0.19	+3.5	4.90	3.97	5.97	5.44	1.46	1.89	2.28
% of total	26.7	+0.1		26.6	27.0	16.3	28.6	+2.9		+1.6		25.7	21.8	30.3	27.0	22.7	31.0	32.0
Price($/mn BTU)	**2024**	vs 2023	%	**2023**	**2022**	**2021**	**4Q24**	vs 3Q24	%	vs 4Q23	%	**3Q24**	**2Q24**	**1Q24**	**4Q23**	**Oct24**	**Nov24**	**Dec24**
Australia	11.35	-0.83	-6.8	12.19	14.53	10.39	11.75	-0.63	-5.1	-1.08	-8.4	12.38	11.02	11.36	12.83	11.33	12.08	11.84
Qatar	**11.07**	-0.80	-6.8	**11.87**	**14.05**	**10.37**	**10.86**	+2.85	+35.6	-0.69	-5.9	**8.01**	**11.00**	**11.40**	**11.55**	**11.11**	**10.43**	**11.06**
vs average price	-0.38	+0.32	-45.9	-0.70	-2.29	-0.73	-0.86	+1.52	-63.9	+0.35	-29.0	-2.38	0.11	-0.23	-1.21	-0.74	-1.11	-0.70
Russia	12.50	-0.89	-6.6	13.40	21.58	12.66	12.97	+4.64	+55.6	-0.22	-1.7	8.34	11.20	13.39	13.19	13.23	13.11	12.66
Malaysia	10.14	-1.88	-15.6	12.02	18.81	10.06	10.76	-0.70	-6.1	-1.04	-8.8	11.46	9.80	10.10	11.80	10.66	10.44	11.12
USA	11.62	-1.74	-13.0	13.36	20.91	13.79	12.17	+4.85	+66.3	-1.94	-13.8	7.32	9.72	11.24	14.11	12.78	8.36	12.31
Indonesia	12.07	-1.77	-12.8	13.84	16.19	10.60	12.77	-0.66	-4.9	-0.41	-3.1	13.43	11.57	12.21	13.19	13.92	12.32	12.34
PNG	13.67	-1.25	-8.4	14.93	15.46	10.32	13.69	+1.75	+14.6	+0.10	+0.7	11.94	13.05	14.13	13.59	13.67	13.77	13.63
Nigeria	11.98	-0.62	-4.9	12.60	11.94	12.49	12.25	+1.87	+18.0	-1.21	-9.0	10.38	10.42	13.08	13.46	13.67	-	11.66
Oman	**11.00**	-3.18	-22.4	**14.18**	**26.13**	**10.28**	**11.86**	-5.51	-31.7	-1.75	-12.8	**17.37**	**9.10**	**12.06**	**13.60**	**13.76**	**-**	**10.09**
UAE	**10.95**	-2.71	-19.9	**13.66**	**21.41**	**17.06**	**10.64**	-15.69	-59.6	-3.77	-26.1	**26.33**	**10.40**	**10.45**	**14.41**	**-**	**10.60**	**10.72**
Mozambique	10.43	-0.80	-7.1	11.23	0.00	0.00	10.30	+4.88	+90.0	-3.21	-23.8	5.42	8.90	10.09	13.51	10.75	10.28	9.23
Brunei	11.49	-1.37	-10.7	12.86	14.39	9.03	12.53	-8.12	-39.3	-0.33	-2.6	20.64	9.92	11.80	12.86	12.53	-	-
Peru	11.71	+0.24	+2.1	11.47	14.11	8.03	11.91	+1.29	+12.1	-	-	10.62	11.43	12.18	-	-	-	11.91
Trinidad	10.13	-1.28	-11.2	11.41	15.45	15.05	9.20	+2.00	+27.7	-5.76	-38.5	7.20	9.10	12.24	14.97	9.20	-	-
AVERAGE IMPORT PRICE	**11.45**	-1.12	-8.9	**12.58**	**16.34**	**11.10**	**11.72**	+1.33	+12.8	-1.04	-8.1	**10.39**	**10.89**	**11.63**	**12.76**	**11.85**	**11.54**	**11.76**
Value ($bn)	**2024**	vs 2023	%	**2023**	**2022**	**2021**	**4Q24**	vs 3Q24	%	vs 4Q23	%	**3Q24**	**2Q24**	**1Q24**	**4Q23**	**Oct24**	**Nov24**	**Dec24**
Australia	14.96	+0.17	+1.2	14.79	16.09	16.42	3.98	+0.22	+5.8	-0.43	-9.7	3.77	3.97	3.57	4.41	1.29	1.34	1.36
Qatar	**10.58**	+0.28	+2.8	**10.30**	**11.52**	**4.90**	**2.99**	+1.11	+58.9	+0.22	+7.9	**1.88**	**1.92**	**3.09**	**2.77**	**0.79**	**0.97**	**1.24**
Russia	5.00	-0.18	-3.6	5.18	6.81	2.81	1.45	+0.46	+46.0	+0.27	+22.8	0.99	1.01	1.05	1.18	0.47	0.42	0.56
Malaysia	3.85	-0.35	-8.4	4.20	6.86	4.10	0.91	-0.02	-2.3	-0.19	-17.6	0.93	0.97	1.15	1.11	0.22	0.32	0.37
USA	2.42	+0.32	+15.5	2.09	2.21	6.38	0.67	+0.09	+15.3	-0.04	-5.0	0.58	0.29	0.49	0.70	0.49	0.05	0.13
Indonesia	2.18	-0.63	-22.4	2.81	3.11	2.79	0.49	-0.05	-8.5	-0.18	-27.0	0.54	0.60	0.61	0.68	0.15	0.26	0.08
PNG	1.61	-0.24	-12.9	1.85	1.85	1.66	0.35	-0.02	-5.8	-0.10	-22.4	0.38	0.41	0.42	0.46	0.11	0.11	0.14
Nigeria	0.82	+0.08	+11.1	0.74	0.26	0.97	0.15	-0.06	-29.3	-0.21	-58.4	0.22	0.17	0.25	0.37	0.05	0.00	0.10
Oman	**0.65**	-0.12	-15.3	**0.77**	**1.33**	**0.90**	**0.08**	-0.16	-65.5	-0.29	-77.6	**0.24**	**0.16**	**0.25**	**0.37**	**0.05**	**0.00**	**0.04**
UAE	**0.44**	+0.01	+2.1	**0.44**	**0.12**	**0.59**	**0.09**	-0.06	-40.1	-0.08	-46.9	**0.15**	**0.15**	**0.12**	**0.17**	**0.00**	**0.06**	**0.03**
Mozambique	0.44	+0.06	+14.6	0.38	0.00	0.00	0.11	+0.05	+84.5	-0.07	-37.3	0.06	0.06	0.13	0.18	0.08	0.01	0.03
Brunei	0.44	-0.02	-3.4	0.46	0.23	0.29	0.08	+0.01	+18.1	-0.09	-50.9	0.07	0.13	0.19	0.17	0.08	0.00	0.00
Peru	0.18	+0.10	+120.9	0.08	0.16	0.08	0.04	+0.00	+13.2	+0.04	-	0.04	0.07	0.03	0.00	0.00	0.00	0.04
Trinidad	0.12	-0.09	-44.5	0.21	0.32	0.33	0.03	+0.00	+0.3	-0.07	-70.7	0.03	0.03	0.01	0.10	0.03	0.00	0.00
TOTAL $BN	**44.06**	-0.88	-2.0	**44.94**	**52.36**	**44.54**	**11.58**	+1.65	+16.6	-1.33	-10.3	**9.93**	**9.97**	**11.49**	**12.91**	**3.82**	**3.54**	**4.22**

SEE ANALYSIS P7. SOURCE: CHINA CUSTOMS, MEES CALCULATIONS.

JAPAN LNG IMPORTS: OMAN VOLUMES RISE TO 12-YEAR HIGH FOR 2024

SELECTED DATA

Volume (mn tons)	2024	vs 2023	%	2023	2022	2021	4Q24	vs 3Q24	%	vs 4Q23	%	3Q24	2Q24	1Q24	4Q23	Oct24	Nov24	Dec24
Australia	25.22	-2.30	-8.4	27.52	30.75	26.64	6.53	+0.18	+2.8	-0.37	-5.4	6.36	5.59	6.74	6.90	2.09	2.05	2.39
% of total	*38.3*	*-3.3*		*41.6*	*42.7*	*35.8*	*39.1*	*+1.2*		*-0.9*		*37.9*	*38.0*	*38.1*	*40.0*	*39.5*	*40.5*	*37.6*
Malaysia	10.25	-0.09	-0.9	10.33	12.05	10.11	2.61	+0.41	+18.6	-0.05	-1.9	2.20	2.28	3.15	2.67	0.73	0.76	1.12
USA	6.34	+0.81	+14.7	5.52	4.14	7.07	1.71	-0.08	-4.3	+0.31	+21.7	1.79	1.43	1.41	1.40	0.51	0.52	0.67
Russia	5.68	-0.45	-7.3	6.13	6.87	6.57	1.58	+0.47	+42.0	-0.42	-20.9	1.11	1.20	1.79	1.99	0.55	0.48	0.55
PNG	3.66	-0.16	-4.1	3.82	3.79	3.50	1.06	+0.26	+31.7	+0.28	+36.3	0.81	0.92	0.88	0.78	0.30	0.27	0.49
Oman	**3.39**	+1.21	+55.3	**2.18**	**2.53**	**1.90**	**0.85**	-0.09	-9.3	+0.30	+55.1	**0.93**	**0.71**	**0.89**	**0.55**	**0.19**	**0.25**	**0.41**
Indonesia	3.13	+0.09	+3.0	3.04	2.54	1.89	0.71	-0.24	-25.5	+0.01	+1.6	0.95	0.82	0.64	0.70	0.12	0.30	0.29
Qatar	**2.87**	-0.06	-2.0	**2.93**	**2.88**	**8.97**	**0.58**	-0.25	-29.7	-0.27	-32.1	**0.83**	**0.60**	**0.87**	**0.85**	**0.16**	**0.17**	**0.25**
% of total	*4.4*	*-0.1*		*4.4*	*4.0*	*12.1*	*3.5*	*-1.4*		*-1.5*		*4.9*	*4.1*	*4.9*	*5.0*	*3.1*	*3.3*	*3.9*
Brunei	2.74	+0.24	+9.8	2.49	3.21	4.29	0.51	-0.46	-47.4	+0.05	+10.4	0.98	0.52	0.73	0.47	0.26	0.19	0.07
UAE	**0.96**	+0.12	+14.4	**0.84**	**1.33**	**1.33**	**0.24**	+0.06	+33.2	-0.06	-20.2	**0.18**	**0.24**	**0.30**	**0.30**	**0.12**	**0.06**	**0.06**
Nigeria	0.52	+0.27	+105.8	0.25	0.97	0.84	0.06	-0.20	-77.6	-0.20	-77.0	0.26	0.13	0.07	0.25	0.06	0.00	0.00
Peru	0.42	+0.16	+64.5	0.25	0.20	0.53	0.07	-0.06	-47.2	+0.07	-	0.13	0.07	0.14	0.00	0.07	0.00	0.00
Eq. Guinea	0.33	+0.20	+156.3	0.13	0.12	0.26	0.07	-0.13	-66.1	-0.00	-0.2	0.19	0.07	0.00	0.07	0.07	0.00	0.00
Mozambique	0.07	-0.06	-45.8	0.13	0.00	0.00	0.00	-	-	-	-	0.00	0.07	0.00	0.00	0.00	0.00	0.00
Algeria	**0.06**	-0.00	-4.7	**0.06**	**0.12**	**0.04**	**0.00**	-	-	-0.06	-100.0	**0.00**	**0.06**	**0.00**	**0.06**	**0.00**	**0.00**	**0.00**
TOTAL	**65.89**	-0.26	-0.4	**66.15**	**72.00**	**74.32**	**16.70**	-0.08	-0.5	-0.54	-3.1	**16.78**	**14.72**	**17.68**	**17.24**	**5.29**	**5.05**	**6.36**
of which Mena	*7.28*	*+1.13*	*+18.4*	*6.15*	*7.06*	*12.43*	*1.67*	*-0.27*	*-14.0*	*-0.09*	*-5.2*	*1.94*	*1.61*	*2.06*	*1.76*	*0.47*	*0.47*	*0.72*
% of total	*11.1*	*+1.8*		*9.3*	*9.8*	*16.7*	*10.0*	*-1.6*		*-0.2*		*11.6*	*10.9*	*11.7*	*10.2*	*8.9*	*9.4*	*11.3*
Price ($/mn BTU)	**2024**	*vs 2023*	*%*	**2023**	**2022**	**2021**	**4Q24**	*vs 3Q24*	*%*	*vs 4Q23*	*%*	**3Q24**	**2Q24**	**1Q24**	**4Q23**	**Oct24**	**Nov24**	**Dec24**
Australia	12.65	-1.88	-12.9	14.53	17.69	10.44	12.47	-0.26	-2.1	-0.55	-4.2	12.73	11.90	13.37	13.01	12.42	12.80	12.22
Malaysia	12.36	-1.43	-10.4	13.79	16.28	9.73	12.17	-0.17	-1.4	-0.45	-3.6	12.34	11.60	13.07	12.63	12.65	11.49	12.32
USA	11.34	-0.84	-6.9	12.18	21.08	12.20	11.19	-0.09	-0.8	-0.48	-4.1	11.27	10.67	12.31	11.67	11.05	11.15	11.32
Russia	13.31	-0.88	-6.2	14.19	15.63	10.69	13.15	-0.09	-0.7	-0.17	-1.3	13.24	12.97	13.73	13.33	12.91	13.85	12.79
PNG	13.27	-1.25	-8.6	14.53	19.48	11.50	13.25	-0.25	-1.9	-1.29	-8.9	13.51	12.15	14.25	14.54	13.31	13.60	13.02
Oman	**10.73**	-1.50	-12.3	**12.23**	**14.01**	**9.37**	**11.25**	+0.27	+2.4	-0.14	-1.2	**10.98**	**10.42**	**10.23**	**11.39**	**9.98**	**10.48**	**12.30**
Indonesia	12.97	-1.47	-10.2	14.45	20.22	9.86	11.67	-1.60	-12.1	-1.11	-8.7	13.26	12.30	14.87	12.77	12.47	11.80	11.20
Qatar	**12.56**	-2.92	-18.8	**15.48**	**20.48**	**9.13**	**12.77**	+0.20	+1.6	-1.21	-8.7	**12.57**	**11.24**	**13.34**	**13.98**	**12.03**	**13.42**	**12.82**
Brunei	12.52	-1.67	-11.7	14.18	15.04	9.48	12.22	-0.72	-5.6	-0.70	-5.4	12.95	10.72	13.41	12.93	11.41	13.36	12.21
UAE	**13.67**	-2.70	-16.5	**16.37**	**30.34**	**10.95**	**14.81**	+2.62	+21.5	-0.49	-3.2	**12.19**	**12.16**	**14.87**	**15.30**	**15.33**	**13.78**	**14.81**
Nigeria	13.67	+1.68	+14.0	11.99	18.69	12.38	7.56	-5.50	-42.1	-4.43	-36.9	13.06	12.17	23.18	11.99	7.56	-	-
Peru	14.91	-2.50	-14.4	17.41	20.47	8.69	8.35	-3.21	-27.8	-	-	11.56	12.51	22.58	-	8.35	-	-
Eq. Guinea	11.79	-14.85	-55.7	26.65	18.47	12.60	12.17	-0.43	-3.4	-6.43	-34.6	12.60	9.20	-	18.59	12.17	-	-
Mozambique	9.43	-3.83	-28.9	13.26	-	-	-	-	-	-	-	-	9.43	-	-	-	-	-
Algeria	**9.82**	-2.14	-17.9	**11.97**	**21.93**	**13.37**	**-**	-	-	-	-	**-**	**9.82**	**-**	**11.97**	**-**	**-**	**-**
AVERAGE PRICE	**12.49**	-1.68	-11.8	**14.16**	**17.71**	**10.40**	**12.28**	-0.25	-2.0	-0.66	-5.1	**12.53**	**11.68**	**13.32**	**12.94**	**12.15**	**12.43**	**12.27**
Value ($bn)	**2024**	*vs 2023*	*%*	**2023**	**2022**	**2021**	**4Q24**	*vs 3Q24*	*%*	*vs 4Q23*	*%*	**3Q24**	**2Q24**	**1Q24**	**4Q23**	**Oct24**	**Nov24**	**Dec24**
Australia	16.04	-4.07	-20.2	20.11	27.36	13.99	4.10	+0.03	+0.6	-0.42	-9.4	4.07	3.35	4.53	4.52	1.31	1.32	1.47
Malaysia	6.24	-0.78	-11.2	7.03	9.67	4.85	1.57	+0.23	+17.0	-0.09	-5.5	1.34	1.30	2.03	1.66	0.46	0.43	0.68
USA	3.59	+0.23	+6.8	3.37	4.36	4.31	0.96	-0.05	-5.1	+0.14	+16.7	1.01	0.77	0.87	0.82	0.28	0.29	0.38
Russia	3.64	-0.55	-13.1	4.19	5.16	3.38	1.00	+0.29	+41.0	-0.28	-22.0	0.71	0.75	1.18	1.28	0.34	0.32	0.34
PNG	2.43	-0.34	-12.4	2.77	3.69	2.01	0.70	+0.16	+29.2	+0.14	+24.2	0.54	0.56	0.63	0.57	0.20	0.19	0.32
Oman	**1.93**	+0.51	+36.2	**1.41**	**1.88**	**0.95**	**0.51**	-0.04	-7.1	+0.18	+53.1	**0.54**	**0.39**	**0.48**	**0.33**	**0.10**	**0.14**	**0.27**
Indonesia	2.07	-0.17	-7.5	2.24	2.62	0.95	0.42	-0.22	-34.4	-0.03	-7.2	0.65	0.52	0.48	0.46	0.08	0.18	0.17
Qatar	**1.88**	-0.48	-20.5	**2.37**	**3.08**	**4.26**	**0.39**	-0.15	-28.6	-0.24	-38.0	**0.54**	**0.35**	**0.61**	**0.62**	**0.10**	**0.12**	**0.17**
Brunei	1.71	-0.05	-3.1	1.77	2.42	2.04	0.31	-0.32	-50.4	+0.01	+4.4	0.63	0.28	0.49	0.30	0.15	0.13	0.04
UAE	**0.63**	-0.03	-4.5	**0.66**	**1.93**	**0.69**	**0.17**	+0.06	+61.9	-0.05	-22.7	**0.10**	**0.14**	**0.21**	**0.22**	**0.09**	**0.04**	**0.04**
Nigeria	0.36	+0.20	+134.7	0.15	0.91	0.52	0.02	-0.15	-87.0	-0.13	-85.5	0.17	0.08	0.09	0.15	0.02	0.00	0.00
Peru	0.31	+0.09	+40.9	0.22	0.20	0.23	0.03	-0.05	-61.8	+0.03	-	0.08	0.05	0.16	0.00	0.03	0.00	0.00
Eq. Guinea	0.19	+0.02	+13.4	0.17	0.11	0.16	0.04	-0.08	-67.3	-0.02	-34.7	0.12	0.03	0.00	0.06	0.04	0.00	0.00
Mozambique	0.03	-0.05	-61.5	0.09	0.00	0.00	0.00	-	-	-	-	0.00	0.03	0.00	0.00	0.00	0.00	0.00
Algeria	**0.03**	-0.01	-21.8	**0.03**	**0.14**	**0.02**	**0.00**	-	-	-0.03	-100.0	**0.00**	**0.03**	**0.00**	**0.03**	**0.00**	**0.00**	**0.00**
TOTAL	**41.27**	-5.73	-12.2	**46.99**	**63.96**	**38.77**	**10.29**	-0.26	-2.4	-0.90	-8.1	**10.54**	**8.62**	**11.81**	**11.19**	**3.22**	**3.15**	**3.91**

SOURCE: JAPAN FINANCE MINISTRY, METI, JOGMEC, MEES CALCULATIONS.

KOREA LNG IMPORTS: AUSTRALIA STRENGTHENS LEAD OVER QATAR AMID RECORD OVERALL VOLUMES

SELECTED DATA

Volume (mn tons)	2024	vs 2023	%	2023	2022	2021	4Q24	vs 3Q24	%	vs 4Q23	%	3Q24	2Q24	1Q24	Oct24	Nov24	Dec24
Australia	11.48	+0.99	+9.4	10.50	11.65	9.49	3.17	+0.99	+45.8	+0.05	+1.6	2.17	3.00	3.14	1.01	1.28	0.89
% of total	*24.6*	*1.0*		*23.6*	*25.1*	*20.9*	*24.8*	*+3.7*		*-0.8*		*21.2*	*27.4*	*24.7*	*22.5*	*31.8*	*20.6*
Qatar	**8.96**	+0.30	+3.5	**8.66**	**9.73**	**11.47**	**2.39**	+0.46	+23.8	+0.70	+41.5	**1.93**	**2.27**	**2.37**	**0.92**	**0.55**	**0.92**
% of total	*19.2*	*-0.3*		*19.5*	*21.0*	*25.2*	*18.7*	*-0.1*		*+4.8*		*18.8*	*20.7*	*18.6*	*20.6*	*13.7*	*21.4*
Malaysia	6.17	+0.02	+0.3	6.15	5.52	3.61	2.18	+0.92	+73.3	+0.27	+14.2	1.26	0.97	1.76	0.69	0.74	0.74
United States	5.72	+0.54	+10.4	5.18	5.76	8.57	1.30	-0.66	-33.9	-0.23	-15.3	1.96	1.14	1.32	0.67	0.26	0.37
Oman	**4.77**	-0.23	-4.6	**5.00**	**4.76**	**4.06**	**1.39**	+0.34	+32.6	+0.27	+24.4	**1.05**	**1.19**	**1.15**	**0.45**	**0.44**	**0.50**
Indonesia	3.06	+0.14	+4.7	2.92	3.23	2.40	0.44	-0.56	-55.8	-0.23	-33.8	1.01	0.86	0.75	0.12	0.21	0.12
Russia	2.13	+0.47	+28.4	1.66	1.96	2.88	0.57	+0.16	+39.7	-0.00	-0.2	0.41	0.52	0.63	0.13	0.26	0.19
Nigeria	0.97	+0.36	+59.6	0.61	0.55	0.66	0.39	+0.21	+113.6	+0.02	+6.7	0.18	0.20	0.20	0.14	0.06	0.19
Peru	0.85	+0.08	+10.1	0.78	0.64	0.87	0.13	+0.13	-	+0.13	-	0.00	0.21	0.51	0.07	0.00	0.06
PNG	0.56	-0.06	-8.9	0.62	0.60	0.19	0.13	+0.06	+83.0	-0.01	-6.4	0.07	0.22	0.14	0.13	0.00	0.00
Brunei	0.51	-0.03	-4.8	0.53	0.19	0.20	0.13	+0.01	+10.5	-0.21	-62.2	0.11	0.07	0.20	0.00	0.00	0.13
UAE	**0.42**	-0.02	-4.1	**0.44**	**0.37**	**0.24**	**0.18**	+0.12	+199.3	+0.05	+33.7	**0.06**	**0.12**	**0.06**	**0.06**	**0.12**	**0.00**
Cameroon	0.32	+0.32	-	0.00	0.07	0.14	0.14	+0.08	+129.3	+0.14	-	0.06	0.12	0.00	0.08	0.06	0.00
Mozambique	0.22	-0.09	-28.6	0.30	0.00	0.00	0.07	+0.07	-	-0.18	-71.3	0.00	0.00	0.15	0.00	0.00	0.07
TOTAL	**46.71**	+2.25	+5.1	**44.46**	**46.39**	**45.45**	**12.77**	+2.49	+24.3	+0.60	+4.9	**10.28**	**10.94**	**12.72**	**4.46**	**4.02**	**4.30**
*Mideast & N Africa**	*14.22*	-0.29	-2.0	*14.51*	*15.46*	*15.97*	*3.96*	+0.92	+30.3	+0.95	+31.6	*3.04*	*3.57*	*3.65*	*1.43*	*1.11*	*1.42*
Mena %	*30.4*	*-2.2*		*32.6*	*33.3*	*35.1*	*31.0*	*+1.4*		*+6.3*		*29.6*	*32.7*	*28.7*	*32.1*	*27.6*	*33.0*

Price ($/mn BTU)	2024	vs 2023	%	2023	2022	2021	4Q24	vs 3Q24	%	vs 4Q23	%	3Q24	2Q24	1Q24	Oct24	Nov24	Dec24
Australia	12.44	-4.51	-26.6	16.95	25.73	12.10	12.91	+0.41	+3.3	-1.50	-10.4	12.49	11.65	12.70	13.27	12.91	12.50
Qatar	**14.19**	-1.78	-11.1	**15.96**	**16.79**	**10.42**	**14.12**	+0.14	+1.0	+0.12	+0.9	**13.97**	**14.20**	**14.41**	**14.43**	**14.56**	**13.53**
vs average price	*+1.65*	*+1.92*	*n/a*	*-0.27*	*-4.69*	*-0.76*	*+1.34*	*-0.41*	*-23.3*	*+1.07*	*+396.5*	*+1.74*	*+2.33*	*+1.32*	*+1.61*	*+1.66*	*+0.91*
Malaysia	11.20	-2.20	-16.4	13.40	20.07	9.83	11.26	+0.30	+2.7	-0.76	-6.3	10.97	10.42	11.72	11.11	11.40	11.28
United States	10.90	-5.17	-32.2	16.06	22.95	11.27	11.08	-0.11	-1.0	-1.98	-15.1	11.19	9.19	11.76	10.33	11.91	11.84
Oman	**13.72**	-3.31	-19.4	**17.03**	**18.49**	**10.58**	**13.47**	-0.39	-2.8	-0.61	-4.3	**13.87**	**13.30**	**14.31**	**13.34**	**13.66**	**13.43**
Indonesia	9.91	-3.07	-23.7	12.98	17.76	9.50	10.87	+1.63	+17.6	-2.24	-17.1	9.24	8.55	11.77	9.07	13.23	8.48
Russia	12.17	-1.07	-8.1	13.25	15.69	12.40	12.29	+0.57	+4.9	+0.19	+1.6	11.72	12.07	12.44	14.29	11.52	11.99
Nigeria	12.18	-2.63	-17.7	14.80	19.32	11.68	12.84	+2.19	+20.6	+0.69	+5.7	10.65	11.01	13.41	13.53	10.35	13.08
Peru	12.95	-2.55	-16.5	15.51	21.17	9.43	13.06	-	-	-	-	-	12.03	13.31	13.85	-	12.09
PNG	12.66	-13.14	-50.9	25.80	44.97	28.94	13.66	+0.85	+6.7	-1.36	-9.1	12.81	12.15	12.44	13.66	-	-
Brunei	12.98	-1.68	-11.4	14.65	19.93	7.35	12.95	-0.45	-3.3	-1.16	-8.2	13.39	8.59	14.25	-	-	12.95
UAE	**11.97**	-10.63	-47.0	**22.59**	**35.80**	**13.28**	**13.73**	+0.97	+7.6	-2.76	-16.7	**12.76**	**9.69**	**10.53**	**14.03**	**13.58**	**-**
Cameroon	11.38	-	-	-	44.56	10.34	13.52	+3.64	+36.8	-	-	9.88	9.64	-	13.22	13.88	-
Mozambique	15.39	-1.63	-9.6	17.02	-	-	13.78	-	-	-2.90	-17.4	-	-	16.17	-	-	13.78
AVERAGE PRICE	**12.53**	-3.70	-22.8	**16.23**	**21.48**	**11.17**	**12.78**	+0.55	+4.5	-0.95	-6.9	**12.23**	**11.87**	**13.09**	**12.83**	**12.89**	**12.62**

Value ($mn)	2024	vs 2023	%	2023	2022	2021	4Q24	vs 3Q24	%	vs 4Q23	%	3Q24	2Q24	1Q24	Oct24	Nov24	Dec24
Australia	7,186	-1,763	-19.7	8,950	15,077	5,772	2,057	+691	+50.6	-202	-9.0	1,366	1,760	2,003	671	830	557
Qatar	**6,622**	-578	-8.0	**7,200**	**8,507**	**6,225**	**1,758**	+352	+25.0	+526	+42.7	**1,406**	**1,677**	**1,780**	**692**	**418**	**648**
Malaysia	3,406	-658	-16.2	4,064	5,457	1,751	1,210	+530	+78.0	+79	+7.0	680	496	1,020	380	416	414
United States	3,116	-1,046	-25.1	4,162	6,609	4,828	719	-379	-34.5	-281	-28.1	1,098	524	775	344	153	222
Oman	**3,470**	-1,046	-23.2	**4,516**	**4,662**	**2,276**	**993**	+222	+28.8	+159	+19.0	**771**	**836**	**871**	**321**	**317**	**355**
Indonesia	1,547	-389	-20.1	1,936	2,921	1,164	247	-227	-48.0	-203	-45.1	474	375	452	54	141	51
Russia	1,249	+190	+18.0	1,059	1,481	1,716	339	+108	+46.5	+4	+1.3	232	299	379	88	142	110
Nigeria	591	+141	+31.2	450	528	385	249	+152	+157.6	+28	+12.8	97	109	136	93	29	127
Peru	553	-49	-8.1	601	673	411	84	+84	-	+84	-	0	127	342	49	0	35
PNG	358	-443	-55.3	800	1,344	270	90	+44	+95.2	-16	-14.9	46	135	87	90	0	0
Brunei	328	-61	-15.7	389	192	72	81	+5	+6.8	-153	-65.3	76	29	142	0	0	81
UAE	**241**	-233	-49.2	**474**	**640**	**154**	**117**	+81	+222.1	+12	+11.3	**36**	**56**	**31**	**39**	**79**	**0**
Cameroon	181	+181	-	0	163	71	94	+64	+213.8	+94	-	30	57	0	50	44	0
Mozambique	166	-91	-35.4	258	0	0	49	+49	-	-158	-76.3	0	0	118	0	0	49
TOTAL	**29,384**	-6,834	-18.9	**36,218**	**50,022**	**25,492**	**8,193**	+1,881	+29.8	-193	-2.3	**6,312**	**6,517**	**8,362**	**2,871**	**2,600**	**2,722**

*INCLUDES ONE EGYPT CARGO FOR 2024. SOURCE: KOREA CUSTOMS SERVICE, MEES CALCULATIONS.

JAPAN CRUDE OIL & CONDENSATE IMPORTS ('000 B/D): UAE OVERTAKES SAUDI AS TOP SUPPLIER FOR 2024

SELECTED DATA

	2024	vs2023	%	2023	2022	2021	4Q24	vs3Q24	%	vs4Q23	%	3Q24	2Q24	1Q24	4Q23	Oct24	Nov24
MIDDLE EAST	**2,215**	-206.1	-8.5	**2,421**	**2,572**	**2,310**	**2,265**	+139.2	+6.5	-65.2	-2.8	**2,126**	**2,173**	**2,295**	**2,330**	**2,095**	**2,254**
% of total	*94.7*	*-0.4*		*95.1*	*94.1*	*92.7*	*96.4*	*+1.4*		*+3.9*		*94.9*	*95.7*	*94.7*	*92.5*	*97.8*	*95.1*
UAE	**1,028**	+36.1	+3.6	**991**	**1,037**	**873**	**1,030**	+7.9	+0.8	+94.3	+10.1	**1,022**	**1,008**	**1,050**	**936**	**1,024**	**904**
% of total imports	*44.3*	*+5.3*		*39.0*	*37.9*	*35.0*	*43.8*	*-1.8*		*+6.7*		*45.7*	*44.4*	*43.3*	*37.2*	*47.8*	*38.2*
of which Abu Dhabi	1,025	+47.6	+4.9	977	1,019	856	1,025	+2.5	+0.2	+99.7	+10.8	1,022	1,008	1,044	925	1,024	904
Murban	554.5	+39.2	+7.6	515.3	512.8	462.3	554.5	-14.0	-2.5	+90.8	+19.6	568.5	591.6	503.2	463.7	515.1	429.9
DAS	382.5	+53.8	+16.4	328.7	300.6	254.0	392.6	+12.5	+3.3	+63.2	+19.2	380.1	339.4	417.7	329.4	416.5	397.7
Upper Zakum	43.6	-33.4	-43.4	77.0	149.9	84.6	27.9	-11.0	-28.2	-53.8	-65.8	38.9	44.9	62.8	81.8	31.7	37.0
Mubarraz	29.6	+1.9	+6.8	27.8	28.9	32.6	28.2	+0.8	+3.0	+1.2	+4.5	27.4	27.3	35.7	27.0	29.1	26.5
Umm-Lulu	14.6	-13.9	-48.7	28.5	27.0	22.0	21.6	+14.1	+187.4	-1.7	-7.4	7.5	4.9	24.6	23.3	32.0	12.9
Dubai	2.7	-11.4	-80.8	14.1	17.2	16.4	5.4	+5.4	-	-5.4	-50.1	0.0	0.0	5.5	10.8	0.0	0.0
Saudi Arabia	**914.7**	-113.4	-11.0	**1,028**	**1,040**	**974.0**	**980.6**	+136.6	+16.2	-103.8	-9.6	**844.0**	**882.9**	**951.1**	**1,084**	**895.6**	**1048**
% of total imports	*39.4*	*-1.0*		*40.4*	*38.1*	*39.1*	*41.7*	*+4.0*		*-1.3*		*37.7*	*38.9*	*39.2*	*43.1*	*41.8*	*44.3*
Arab Extra Light	364.7	-93.9	-20.5	458.6	399.9	386.1	397.2	111.1	38.8	-89.4	-18.4	286.0	351.1	424.9	486.5	338.1	475.1
Arab Light	337.9	-24.2	-6.7	362.1	424.0	378.6	363.1	37.1	11.4	-35.2	-8.8	326.0	311.4	351.0	398.4	335.4	395.6
Arab Heavy	139.2	-5.9	-4.1	145.1	156.0	142.3	152.2	4.3	2.9	16.7	12.3	147.8	148.7	107.8	135.5	114.8	147.9
Arab Super Light	31.5	-5.8	-15.5	37.3	30.5	34.3	25.0	-0.3	-1.4	-12.2	-32.9	25.3	38.1	37.7	37.2	36.6	0.0
Arab Medium	41.4	+16.4	+65.7	25.0	30.0	32.7	43.1	-15.7	-26.7	16.3	61.0	58.8	33.7	29.7	26.8	70.8	29.7
Kuwait	**154.3**	-69.2	-31.0	**223.5**	**221.0**	**208.6**	**132.8**	-9.1	-6.4	-49.1	-27.0	**142.0**	**168.7**	**174.0**	**181.9**	**65.8**	**172.8**
Kuwait Export Blend	146.7	-43.8	-23.0	190.5	198.8	199.0	132.8	-5.9	-4.2	-16.0	-10.7	138.7	162.1	153.6	148.8	65.8	172.8
Kuwait Super Light	7.5	-25.5	-77.1	33.0	23.5	9.6	0.0	-3.3	-100.0	-33.1	-100.0	3.3	6.6	20.4	33.1	0.0	0.0
Qatar	**90.8**	-36.0	-28.4	**126.8**	**199.5**	**194.7**	**103.5**	19.8	23.7	1.8	1.8	**83.7**	**87.2**	**88.9**	**101.7**	**87.0**	**113.9**
of which: Crude	*89.5*	*-34.6*	*-27.9*	*124.1*	*196.1*	*180.0*	*100.8*	*19.9*	*24.6*	*-0.9*	*-0.8*	*80.9*	*87.2*	*88.9*	*101.7*	*79.1*	*113.9*
Condensate	*1.4*	*-1.3*	*-49.7*	*2.7*	*3.4*	*14.8*	*2.7*	*-0.1*	*-2.9*	*2.7*	*-*	*2.8*	*0.0*	*0.0*	*0.0*	*7.9*	*0.0*
Qatar Land	52.2	+0.5	+1.0	51.7	80.7	65.0	53.6	9.6	21.8	-0.3	-0.5	44.0	44.0	67.4	53.9	47.8	49.1
Qatar Marine	23.9	-18.8	-44.0	42.7	54.7	35.9	36.7	21.1	135.5	10.3	38.9	15.6	27.6	15.9	26.4	31.2	32.4
Al Shaheen	13.3	-16.4	-55.1	29.7	60.7	79.1	10.6	-10.8	-50.5	-10.8	-50.6	21.4	15.6	5.6	21.4	0.0	32.4
Low Sulfur Condensate	1.4	+0.7	+99.4	0.7	0.7	12.1	2.7	-0.1	-2.9	2.7	-	2.8	0.0	0.0	0.0	7.9	0.0
Oman	**13.5**	-16.7	-55.3	**30.1**	**30.6**	**14.2**	**5.4**	-15.7	-74.4	-10.9	-66.7	**21.1**	**10.9**	**16.4**	**16.3**	**0.0**	**0.0**
Oman	*13.5*	*-16.7*	*-55.3*	*30.1*	*30.6*	*13.3*	*5.4*	*-15.7*	*-74.4*	*-10.9*	*-66.7*	*21.1*	*10.9*	*16.4*	*16.3*	*0.0*	*0.0*
Neutral Zone	**12.4**	+1.1	+10.0	**11.3**	**8.6**	**8.0**	**12.4**	-0.2	-1.4	7.7	161.3	**12.6**	**15.1**	**9.5**	**4.8**	**22.6**	**14.8**
Khafji	12.4	+2.4	+23.4	10.1	8.6	8.0	12.4	-0.2	-1.4	7.7	161.3	12.6	15.1	9.5	4.8	22.6	14.8
Bahrain	**1.3**	-8.1	-86.2	**9.4**	**35.0**	**35.3**	**0.0**	0.0	-	-5.3	-100.0	**0.0**	**0.0**	**5.2**	**5.3**	**0.0**	**0.0**
Banoco Arab Medium	*1.3*	*-8.1*	*-86.2*	*9.4*	*35.0*	*35.3*	*0.0*	*0.0*	*-*	*-5.3*	*-100.0*	*0.0*	*0.0*	*5.2*	*5.3*	*0.0*	*0.0*
Iraq	**0.0**	-	-	**0.0**	**0.0**	**2.7**	**0.0**	0.0	-	0.0	-	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Iran	**0.0**	-	-	**0.0**	**0.0**	**0.0**	**0.0**	0.0	-	0.0	-	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
AMERICAS	**86.3**	-6.3	-6.8	**92.6**	**89.8**	**50.2**	**62.1**	-28.2	-31.3	-95.1	-60.5	**90.3**	**78.0**	**114.9**	**157.2**	**23.8**	**84.5**
USA	56.7	+3.2	+6.1	53.5	27.4	8.1	26.1	-41.9	-61.6	-74.2	-73.9	68.0	46.6	86.2	100.3	4.0	41.1
Ecuador	28.8	-7.6	-20.8	36.4	51.1	40.1	35.9	16.5	85.2	-10.1	-22.0	19.4	31.3	28.6	46.0	19.7	43.4
Mexico	0.0	-2.2	-100.0	2.2	11.2	2.0	0.0	0.0	-	-8.6	-100.0	0.0	0.0	0.0	8.6	0.0	0.0
AFRICA	**0.3**	-0.1	-35.0	**0.4**	**5.9**	**13.0**	**0.0**	-1.1	-100.0	-1.7	-100.0	**1.1**	**0.0**	**0.0**	**1.7**	**0.0**	**0.0**
Sudan	0.3	-0.1	-35.0	0.4	1.7	2.1	0.0	-1.1	-100.0	-1.7	-100.0	1.1	0.0	0.0	1.7	0.0	0.0
OCEANIA, ASIA & FSU	**19.5**	-11.3	-36.7	**30.8**	**65.8**	**119.4**	**23.0**	0.9	4.1	-6.3	-21.6	**22.1**	**19.2**	**13.6**	**29.3**	**23.6**	**30.5**
Australia	7.6	-3.1	-29.2	10.7	6.3	4.5	12.1	9.2	308.3	1.0	9.1	3.0	9.9	5.3	11.1	5.9	20.6
Vietnam	4.7	-1.2	-20.2	5.9	10.5	5.5	5.9	-0.7	-10.0	0.0	-0.7	6.6	3.3	3.1	6.0	8.0	9.9
Brunei	3.8	-0.3	-7.3	4.1	3.2	3.1	5.0	-1.7	-25.3	1.7	52.7	6.7	0.0	3.4	3.3	9.6	0.0
Indonesia	3.4	-1.6	-31.6	5.0	1.0	3.0	0.0	-5.9	-100.0	-6.8	-100.0	5.9	6.0	1.8	6.8	0.0	0.0
Russia	0.0	-2.0	-100.0	2.0	35.5	89.3	0.0	0.0	-	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**2,321**	-223.9	-8.8	**2,544**	**2,734**	**2,493**	**2,350**	111	5	-168	-7	**2,239**	**2,270**	**2,423**	**2,518**	**2,143**	**2,369**
Opec Total	2,109	-145.4	-6.4	2,254	2,311	2,076	2,156	135	7	-51	-2	2,021	2,075	2,184	2,207	2,008	2,140
% of total	*90.9*	*+2.3*		*88.6*	*84.6*	*83.3*	*91.7*	*+1.5*		*+4.1*		*90.2*	*91.4*	*90.1*	*87.6*	*93.7*	*90.3*

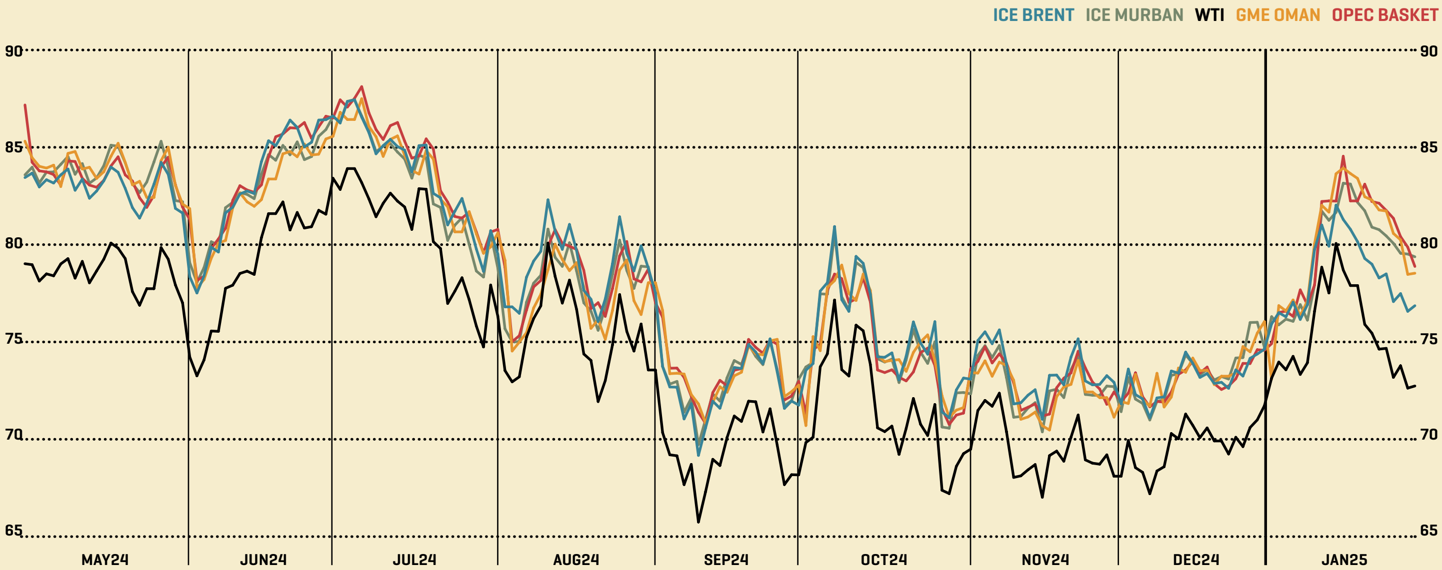
SEE ANALYSIS, P24. SOURCE: METI, MEES CALCULATIONS.

SELECTED DATA

BENCHMARK CRUDE PRICES ($/B)

	30Jan	20-24Jan	13-17Jan	Dec24	Nov24	Oct24	4Q 2024	3Q 2024	2Q 2024	2025 (30Jan)	2024	2023	2022
WTI	72.73	75.70	78.58	69.87	69.53	71.56	70.31	75.38	80.61	75.35	75.79	77.58	94.37
ICE Brent	76.87	79.05	81.01	73.26	73.40	75.38	74.01	78.72	85.02	78.42	79.86	82.18	99.02
ICE Murban	78.54	82.33	82.98	73.47	72.74	75.08	73.76	78.34	85.24	80.24	79.74	82.80	98.84
GME Oman	78.89	82.29	82.70	73.34	72.48	74.86	73.60	78.47	85.20	80.03	79.61	82.02	94.42
OPEC Basket	79.38	81.21	82.18	73.07	72.98	74.49	73.54	78.97	85.31	79.50	79.89	82.95	100.08
JCC	na	na	na	76.50	78.14	80.09	78.24	85.86	87.48	na	83.92	86.56	102.70

AVERAGE SETTLEMENT PRICES FOR PERIOD IN QUESTION.



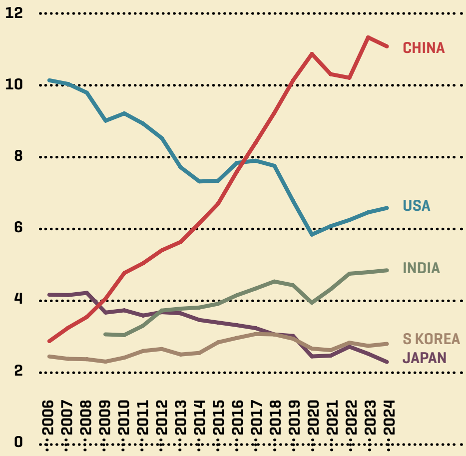
JAPAN CRUDE IMPORTS: UAE TOP FOR 2024 AS LONG-TERM SLUMP CONTINUES

*Japan's crude imports fell by 8.8% to 2.32mn b/d for 2024, less than half of the peak 5mn b/d figure hit in the early 1970s. Back then Japan was the world's clear number two importer behind the USA, whose imports peaked at 10.13mn b/d in 2005. But in 2009 it was overtaken by China, in 2012 by India and in 2020 by South Korea (see chart 1).

*Nevertheless, Japan remains an important market for key Gulf suppliers, above all the UAE, which overtook Saudi Arabia as top supplier for 2024. Japan imported 1.03mn b/d from the UAE, up 3.6%, versus an 11% fall to 915,000 b/d for Saudi Arabia. UAE volumes included a record for both flagship grade Murban (554,500 b/d) and Das Blend (382,000 b/d).

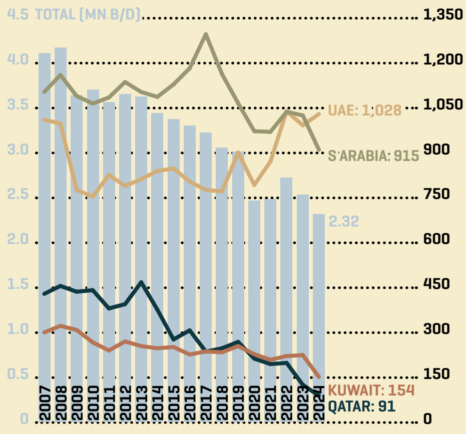
*In contrast, both Saudi volumes and those from numbers three and four suppliers, Kuwait and Qatar, slumped to multi-decade lows (see chart 2 & p23 for full data).

1: WORLD'S TOP CRUDE IMPORTER (MN B/D): JAPAN HAS GONE FROM 2ND TO 5TH OVER THE LAST TWO DECADES



SOURCE: NATIONAL STATISTICS, KPLER, MEES. INDIA 2024 IS PROVISIONAL.

2: JAPAN CRUDE IMPORTS ('000 B/D): UAE TOP FOR 2024, AS OVERALL VOLUMES AND THOSE FROM OTHER GULF SUPPLIERS* FALL TO MULTI-DECADE LOWS



*TOP FOUR SUPPLIERS SHOWN. SOURCE: JAPAN CUSTOMS, MEES.